Daily Report

Latin America

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FBIS-LAT-96-047
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March 1996

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FBIS-LAT-96-047 *8 March 1996*

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Cuba

Cuba: Alarcon Details Cuba's Position at ICAO

PA0703163096 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Mar 96

[Interview with Ricardo Alarcon, president of the National Assembly of the People's Government, in Havana, by Marina Menendez in Montreal, Canada; from the "Doing Radio" newscast — live]

[FBIS Translated Text] [Menendez] As you know, the meeting of the International Civil Aviation Organization (ICAO) was held to hear the Cuban position, as stated by Ricardo Alarcon, president of the National Assembly of the People's Government, on the 24 February incident and previous violations of the Cuban airspace and territorial waters. To learn about the details, we have established contact with Ricardo Alarcon. Good morning, Alarcon.

[Alarcon] Good morning.

[Menendez] Cuba had demanded that the investigation not only focused on the 24 February incident, but also on the events prior to this event. According to media reports I have here, the participants of this meeting agreed that the 24 February incident be investigated in a period of 60 days. To this effect, what is Cuba's view on this decision?

[Alarcon] This is not what was agreed upon yesterday. Yesterday, the meeting began with a discussion of the U.S. proposal, which not only would not have condemned Cuba beforehand — prior to conducting any investigation — but also sought to limit the ICAO Council's investigation, not in keeping with what the UN Security Council had established, which was to thoroughly analyze the problem. I will read what the U.S. proposal established. The first paragraph called for a thorough and immediate investigation of the incident, with a view to ensuring that Cuba applies the procedures to intercept aircraft and so on. In other words, the objective of the investigation revolved around Cuba. The second paragraph indicated that the report should include the facts and technical aspects linked to the 24 February flight. In other words, this proposal sought to reduce the entire investigation to the technical aspects of the 24 February incident.

The 39 members of the council — including the United States — went into a long discussion, which lasted all morning until past noon yesterday. After this discussion, none of the delegations expressed its categorical support for reducing the investigation as suggested by the U.S. proposal. One may say that two or three delegations backed the U.S. position, but in an indirect manner. However, several delegations opposed it, while most of the delegations admitted that it was necessary to study the situation, considering its circumstances, its context, its background, and so on.

The delegations finally agreed — according to the text — to conduct an investigation of the incident as a whole to determine all of the factors and related aspects, in keeping with the UN Security Council's statement...

[Menendez, interrupting] That constitutes a victory for the Cuban stance.

[Alarcon] This means, not just the technical factors, but all others as well, in an overall analysis of the entire situation. The preamble also includes the situation that the Council had been discussing. It is based on a U.S. proposal, a Cuban proposal, and the prior decision by the UN Security Council.

[Menendez] In that respect, the U.S. objectives were obviously frustrated.

[Alarcon] No. No. I think ...[pauses] History was repeated a little. Remember that when the UN Security Council discussed the matter in late February, the United States came with a draft resolution to condemn Cuba. In the end, there was no condemnation. The same thing happened here. They came with a text of a strong condemnation but had to withdraw it, as (?it was not accepted there). Afterward, they tried to focus their attention on reducing the investigating committee's mandate to the account they seek to portray, that this, that it was an isolated incident, a one-time incident, that there is no background for it. That was not what was approved. I can tell you that the investigating commission is planning the first steps because this process must end in two months.

[Menendez] I also wanted to ask you about that.

[Alarcon] It does not just include making contacts with Cuban authorities and visiting the country, but also doing the same in the United States. Go to Miami, investigate what is happening in that airport, search for the data from entities (?in charge) in the United States, etc. I am certain that the Council, according to what I heard the majority of its members say, would never accept this sort of situation.

[Menendez] Is there anything you want to add, Mr. Alarcon?

[Alarcon] No, I think we must realize that when one is waging a battle with such a tenacious and obstinate adversary, as U.S. imperialism, and this is a battle that has raged for 37 years, they will continue trying. After the report is issued, they will try to discredit the activity by the investigators. After the report is issued, it has to

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be studied by the ICAO council and later by the UN Security Council. We must be forewarned and ready for a process of struggle against those that want to avoid a confrontation with the truth.

Cuba: Radio Commentary Calls Helms-Burton Bill 'Fascist'

PA0703171796 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Mar 96

[Commentary by Eduardo Dimas; from the "Doing Radio" newscast]

[FBIS Translated Text] Yesterday Foreign Relations Minister Roberto Robaina told the UN Assembly General the truth about last 24 February's incident and its background. During this meeting, Cuba presented its argument and supporting evidence. Neither was a text presented nor the approval of a resolution expected. The United Nations only served as a tribune to defend our viewpoints before the international public opinion.

Despite all of its fallacies, the U.S. Government could not prevent Cuba's voice from being heard. Almost simultaneously, the Council of the International Civil Aviation Organization [ICAO] began its 147th meeting in Montreal, Canada. A comprehensive investigation was initiated regarding the 24 February incident and the circumstances surrounding it. Ricardo Alarcon, president of the National Assembly of the People's Government, heads the Cuban delegation.

As evidence of how unethically the United States has handled this incident is the fact that it presented to the ICAO the draft for a declaration, using the same arguments that were presented to the UN Security Council and were substantially modified during the discussion of the UN declaration. Moreover, let us recall that the United States has used all sorts of fallacies to prevent the truth from being heard. For instance, it used the appendix of a law that neither a sufficient number of countries has approved nor has the U.S. Government sanctioned. Also, let us recall that the United States has purposely delayed the issuance of a visa for Foreign Relations Minister Robaina and has taken advantage of its position as chairman to rush the UN Security Council's meeting. These nasty and unethical factors should be taken into consideration to evaluate the conduct of a government that calls itself the world's champion of democracy, morality, and human rights.

As a chronological paradox, right when the UN Assembly General and the ICAO were meeting, the Chamber of Representatives approved the Helms-Burton Bill by 347 votes to 67 in Washington. Therefore, everything is set for President William Clinton to sign this bill and make it a U.S. law. It does not matter whether this bill is groundless, violates international law, and absolutely contradicts WTO standards, as the EU has well pointed out in Brussels. Shortly, this bill will become a new instrument against Cuba and a new stain in the already lengthy list of abuses by the world's most powerful nation.

Nevertheless, while I was listening to Foreign Relations Minister Robaina's address to the UN Assembly General yesterday, I could not help but think that some U.S. senators and representatives, who represent the extreme right, have expressed their decision to withdraw the United States from the United Nations and to demand this organization leave U.S. territory because it propagandizes socialism. Just imagine that! If these ultra-reactionary forces would seize Congress and the Executive Branch, fascism would then become a concrete reality in the United States, along with all of its consequences to the world, because as a result of their education, ideology, and idiosyncrasy, they would try to impose its interests by force. They know no other language.

I told you yesterday that we know where we stand. However, other nations worldwide have to make a decision: Whether or not to accept the Helms-Burton Bill and abide to it. Similar laws that will affect everybody's sovereignty will come later on. It should be added that this imperialistic bill — which is fascist in extension and concept — is one of the first expressions of what this planet might become in the 21st century. Since I do not like to impose my opinion, I recommend that you draw your own conclusions.

Cuba: Alarcon Says U.S. May Be Banned From Air Corridors

PA0703190096 Havana PRENSA LATINA in Spanish 1657 GMT 7 Mar 96

[By Julio A. Machin]

[FBIS Translated Text] Havana, 7 Mar (PL) — If the United States continues to tolerate the use of lightplanes and planes against Cuba, our country could ban its aircraft from using Cuban air corridors, Cuban Parliament President Ricardo Alarcon said today in Montreal.

During a telephone interview granted to PRENSA LATINA, Alarcon pointed out that Washington failed to obtain a condemnation of Cuba at the International Civil Aviation Organization (ICAO) as was the case at the UN Security Council.

The United States also tried to limit ICAO's analysis to the technical aspects of the 24 February incident while

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Cuba's position was to discuss not only the incident alone, but also its causes and a string of violations to Cuban airspace, he pointed out.

Alarcon said he was impressed by the attitude assumed during the meeting by a good number of delegations "that fought hard to defend specific positions and principles and this finally prevailed."

He explained that it is impossible to rule out additional U.S. pressure and maneuvers to overcome a problem that this country created, but assured that this will prove to be difficult, because the struggle against and confrontation against such maneuvers are much stronger now.

Alarcon said that the Canadian media offered objective and prominent reports of the meeting and recognized this situation. This was an important opportunity to explain the background to the downing of the planes that violated Cuban airspace.

These were not regular planes of a company dedicated to transporting passengers or cargo but there is a paramilitary group using these planes in its campaign against Cuba. The first article of the Chicago Convention warns against abuses involving civilian planes.

Alarcon underscored that the solidarity of Canadian public opinion was voiced by a group of citizens from that country who, despite sub-zero temperatures, stood outside the ICAO building holding placards condemning the blockade against Cuba.

The Parliament president reported he started his speech at the meeting by emphasizing the difficulties confronted by the Cuban delegation to arrive in Montreal, because the United States has banned Cuban aircraft from flying over air corridors that cross its territory.

He explained that Cuban planes are forced to take detours over the Atlantic and this increases costs, fuel consumption, and flight time, and Washington refused to exempt the official Cuban delegation from such a ban.

Alarcon added that the United States also has banned direct flights between that nation and Cuba in detriment of many Cubans residing in U.S. territory while it accuses the island of problems stemming from violations of its sovereignty.

We have a right to reciprocate, to do the same to them should they continue to tolerate the use of civilian planes against Cuba and to ban us from using U.S. air corridors, he said.

The parliamentarian leader said that many U.S. airlines serving the Caribbean and South America overfly Cuba, and the United States knows that a decision in this direction by Havana could hurt them.

We seized the opportunity at the ICAO meeting, in the presence of the U.S. transportation secretary, to make a clear warning about this and to inform the world about the existing situation in front of witnesses, because we have experience of their paying no attention to our warnings about Brothers to the Rescue, Alarcon added.

Finally, he pointed out "we will see how they behave in the future and we will act accordingly."

The Cuban delegation should be returning to the island on 9 March after discussion of technical aspects is finalized and the documents on the ICAO meeting are signed.

Cuba: Cuba To Remain Open to Foreign Investments

PA0803000296 Havana PRENSA LATINA in Spanish 2133 GMT 7 Mar 96

[FBIS Translated Text] Mexico City, 7 Mar (PL) — Foreign Relations Minister Roberto Robaina today affirmed that his country remains open to foreign investments and questioned the effectiveness of a law the U.S. Congress passed this week to toughen the blockade on the island.

At a news conference held at the Mexico International Airport on his way back to Havana from the United Nations, Robaina stressed that, in light of the opposition voiced by Washington's allies, it has to demonstrate the difference between a law that is passed and a law that is enforced.

He added that his country continues to offer foreign investors the safety of a politically stable state able to adapt itself to a substantially changed world, with which Cuba has proven its possibilities of trading and making exchanges.

Robaina pointed out that the island's government will continue to respect investments by granting businessmen juridical and legal security, in addition to giving them a rather unique opportunity in the current world: there is no U.S. competition.

As a last resort, the foreign minister, went on, it must be said that the Helms-Burton Bill is aimed at U.S. businessmen: They are the only ones who are banned, by North American laws, from investing in Cuba.

He said that, besides overlooking the law that the U.S. Congress passed, his country had gotten used to living without U.S. laws many years ago.

According to his assessment, the Helms-Burton Bill is aimed not only at Cuba, but also at the entire world, as proven by the widespread opposition from many states

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to accept orders from the extreme right and the U.S. Congress.

The Cuban foreign minister, who attributed the approval of the anti-Cuban law to U.S. electoral interests, assessed that the United States must understand that it cannot resort to foreign issues for their campaigns.

Robaina also said that the world cannot tremble every four years because of the U.S. election season. And Cuba, with or without the blockade, with or without the law, will not renounce its path; this is the message we want to clearly explain, the foreign minister added.

Cuba: Government To Aid Inquiry on Downed Airplanes

PA0803004296 Havana PRENSA LATINA in Spanish 2140 GMT 7 Mar 96

[FBIS Translated Text] Mexico City, 7 Mar (PL) — Cuban Foreign Minister Roberto Robaina said today in Mexico City that his country will offer all necessary cooperation in the investigation of the downing of two pirate airplanes which, on 24 February, invaded Cuban airspace.

In statements to reporters at the Mexico City Airport, Robaina complained that the U.S. Government is attempting to impose its version of the events on the world, and even to direct the International Civil Aviation Organization (ICAO) investigation of the incident.

We have offered all our cooperation so that the investigation can be conducted to the letter, Robaina underscored.

He added that Cuba has considerable information and documents to prove that it was attacked and to disprove the alleged humanitarian character of the Brothers to the Rescue counterrevolutionary organization based in Miami.

Robaina underscored that this very information regarding the group, which he characterized as "recruited pirates," is in the hands of the U.S. State Department but unfortunately, he said, that is the country that has recruited them.

Asked about the likelihood of Havana closing its aerial routes to U.S. airplanes, Robaina said that it is a possible measure and could be adopted at any time, but a decision has not yet been reached.

He recalled that for decades Washington has banned Cuban commercial airplanes from flying over U.S. territory, but Cuba has not responded in kind against U.S. firms to avoid affecting passengers who have nothing to do with the White House's policy.

Robaina also announced that Cuba presented it position to the UN General Assembly yesterday regarding the crisis that followed the downing of the "recruited pirates'" two airplanes and was able to confirm that the empire is alone in its efforts to use force to impose itself on the rest of the world.

The United States did not come into the world only to ask questions and give orders, but also to face up to its actions, he said.

Cuba: Robaina Thanks Mexico For Opposing Helms-Burton Bill

PA0803135596 Havana PRENSA LATINA in Spanish 2317 GMT 7 Mar 96

[FBIS Translated Text] Mexico City, 7 Mar (PL) — Today, in Mexico City, Cuban Foreign Minister Roberto Robaina thanked the Mexican Government and people for their opposition to the Helms-Burton law passed by the United States to bolster the blockade on the island.

In statements to reporters at the Mexico City Airport, Robaina said that this position sends a message of encouragement to the Cuban people.

It is a position that encourages us and we are very thankful, but it does not surprise us, because we have never gone without Mexican understanding and solidarity, he said.

The foreign minister recalled that Mexico has always maintained an independent foreign policy.

This country was the only one in Latin America that did not yield to U.S. pressure to break ties with the island during the sixties, when Washington implemented the blockade, which it still maintains against Havana.

Robaina is on a 24-hour stopover in Mexico City after attending a UN General Assembly session yesterday.

Cuba: Official Says No 'Effects' From Helms-Burton Bill

PA0803020696 Havana PRENSA LATINA in Spanish 2338 GMT 7 Mar 96

[FBIS Translated Text] Havana, 7 Mar (PL) — The Cuban Foreign Ministry declared today that if President William Clinton signs the Helms-Burton bill, he will be guiding the United States toward a conflict with many principles of international law and the interests of many of his allies.

The bill, which has already been approved by the U.S. Congress, was drafted to strengthen and internationalize the blockade imposed against Cuba since 1962, and foresees - among other clauses that go beyond any

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bilateral scope - sanctions against those nations or firms that trade with Havana.

Carlos Fernandez de Cossio, director of the U.S. and Canada directorate at the Cuban Foreign Ministry, stated this Thursday on national television that the manipulation of the 24 February incidents for electoral purposes prompted the president (Clinton) into supporting the approval of this law.

On this date, two pirate airplanes belonging to the subversive group Brothers to the Rescue, based in Miami, violated the country's airspace and were downed by Cuban Air Force fighters.

At any rate, the Helms-Burton legislation represents a threat to our country, Cossio added. Clinton supports the bill for motivations related to the U.S. election campaign "which is very dirty in the way it is managed," he commented.

According to Cossio, "It seems as if the president reads all of this believing it will bring him more votes."

In fact, he remarked, there is an ongoing debate within the United States in regard to what this law could entail in real terms.

The Helms-Burton Bill goes against U.S. interests as a whole and many consider that it is wrong for the president to approve it just to satisfy extreme-right Cubans in Miami.

The decision, according to Cossio, will not affect current migration agreements between both nations, unless the basic objectives of the measure were to come through: Reduce the Cuban people by starvation, which would cause an avalanche of illegal emigrants.

At any rate, Fernandez de Cossio anticipated that such an objective will not become a reality, because "our economy and society have been sufficiently strengthened and there will be no negative effects due to that law."

Cuba: Helms-Burton Bill Draws World 'Repudiation'

PA0803041896 Havana PRENSA LATINA in Spanish 2358 GMT 7 Mar 96

[By Leonel Nodal]

[FBIS Translated Text] Havana, 7 Mar (PL) — The U.S. Congress and executive branch attempt to toughen the Cuban blockade by punishing those who negotiate with the island has so far drawn only repudiation for a policy considered interventionist and unacceptable.

Washington's main economic partners, particularly Mexico and Canada, which also signed NAFTA, as well as the 15 nations of the European Union [EU] immediately rejected the upcoming approval of the so-called Helms-Burton Bill.

Following its approval at the Senate and House of Representatives, the bill, which needs the signature of President William Clinton, contains a number of clauses aimed at internationalizing the blockade against the neighboring Caribbean nation, a blockade that nine successive U.S. administrations have implemented since 1959.

For the second time this week, the European Union today voiced to the United States its concern about the bill's feature that violates international law and WTO guidelines.

In a brief interview in Brussels, Spanish, Italian, and Irish officials in charge of EU relations with Latin America voiced their protests to Edward Casey, U.S. deputy assistant secretary for South America.

The right Washington attributes to itself to have its courts prosecute, judge, and sentence individuals or businesses from other countries that presumably "trade" goods expropriated in Cuba with Americans stands out among the aspects that irritate the governments of the Old World the most.

Cubans who left the island and became U.S. citizens after 1959 are included in this category, which is believed will trigger thousands of lawsuits in the courts.

The European Commission, which is the executive branch of the 15 EU members, on 8 March must examine a menu of options to face the situation the Helms—Burton Bill has created in the international trade sector.

As it has been voted on, the new legal instrument will prohibit the entry into the North American market of sugar or sugar derivatives that lack a certificate stating that they are not of Cuban origin.

American firms that finance their affiliates in other countries in trade with Cuba will also be punished.

The rest of the text contains several other threats for those who maintain relations with Cuba, including the denial of visas to enter the United States. This makes the bill an irritating mechanism that is seeking by any means possible to discourage foreign investment in the Antillean nation.

Another strong and immediate reaction came from Mexico and Canada, which are U.S. partners in the free trade region NAFTA created.

A Foreign Secretariat communique stated that "Mexico believes that many chapters and sections of the bill

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(Helms-Burton) contravene international law and hemispheric and bilateral commitments."

The Mexican Government announced that it will resort to NAFTA's legal resources to challenge the effects this initiative will have on trilateral trade.

"In text and spirit," the note goes on, "this bill opposes the principles stipulated in the UN Charter and includes regulations that could trigger legal conflicts, thus violating NAFTA and WTO objectives."

The Foreign Secretariat pointed out that "the Mexican Government is concerned over the fact that, while ignoring the principle of respect for the sovereignty of states, the aforementioned bill attempts to enforce domestic U.S. guidelines beyond its borders."

In practice, Mexico, Canada, and such European nations as Spain, England, and France do not seem to be willing to let the Helms-Burton Bill scare them. These countries have taken advantage of the Cuban economic opening to increase their investments in joint ventures, as well as in the island's trade and tourist development sectors.

While the U.S. Congress was voting on the anti-Cuban bill, Canada and another 14 Caribbean nations meeting in Grenada stressed their rejection of all attempts to constrain their businesses with Cuba; on the contrary, they stressed their resolve to increase their businesses.

Many businessmen from Canada, Europe, and other places, who now maintain flourishing relations with the largest Antillean nation, took advantage of the void the United States and its useless blockade policy have left.

The new law only deepens the gap that separates the coasts of Florida and Havana, which is contrary to the wishes of many American businessmen, investors, and tourists who have visited the island lately and who voiced their willingness to participate in joint projects.

Cuba: Helms-Burton Bill May Affect Migration Accord

PA0803043496 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Mar 96

[Report by Barbara Betancourt; from the "Evening Information Review"]

[FBIS Translated Text] Opinions on Cuba's appearance before the UN General Assembly and the International Civil Aviation Organization [ICAO], as well as reactions to the approval of the Helms-Burton Bill proposal by the U.S. Congress, were the main points covered during the regular briefing offered every Thursday by the Cuban Foreign Ministry through its alternate spokesperson Marianela Ferriol.

[Begin Ferriol recording] They were [word indistinct] of the expressions of support that Cuba received after concluding its UN General Assembly address, and after the response and answer period held between the Cuban and U.S. delegation had ended.

On the other hand, an intense process of negotiations took place at the ICAO, which ended during the night hours with a resolution that will open an in-depth inquiry to allow an all-out investigation into the background, cause, and motive of the reiterated violations of Cuban airspace by airplanes originating from the United States, including the 24 February incidents.

U.S. attempts at pressure to have their resolution approved by the ICAO once again evaporated. The initial project was modified substantially. It is fair to acknowledge here and express appreciation for the support extended by Third World nations and others who prevented, through their active participation, the approval of an unfair and completely politicized resolution. [end recording]

With respect to the Helms-Burton Bill proposal, Ferriol reiterated that it will not achieve its objective of subjecting the Cuban people or destroying their revolution.

[Begin Ferriol recording] I insist that there will no step backward in the process of recovery that Cuba and its people have embarked on in the last few years, and the growth forecast for the next years will in no way be obstructed. Without any doubt, this [word indistinct] of international law will isolate the United States of America even more in its anti-Cuban attempts. Without it having been approved yet as law of the land, numerous voices have already been raised throughout the world against this U.S. bill. [end recording]

When asked about the recent election victory of the Popular Party in Spain, the Foreign Ministry spokesman answered as follows:

[Begin Ferriol recording] We anticipate that the level of relations with Spain will remain unchanged, that they will continue progressing as they are currently doing. We have numerous relations at this time at the diplomatic, commercial, and scientific level; in other words, we have a very wide range of relations. Without any doubt, we expect that these relations will remain unchanged and continue growing. [end recording]

In response to several questions, Marinela Ferriol stated that, without any doubt, the Cuban Government could bar U.S. airplanes from using the Cuban air corridor. In fact, she stated, our airplanes are barred from flying over U.S. territory. Nevertheless, she explained, that is

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a measure the Cuban authorities have not yet decided on.

The Cuban Foreign Ministry spokeman acknowledged that the approval of the Helms-Burton proposal could have an effect on the migration agreements signed between Washington and Havana, as well as Cuba's relations with its emigres residing in the United States.

However, she insisted that the Cuban Government's disposition continues to be to honor its commitments and normalize relations between all Cubans.

Cuba: Plans To Finish Juragua Plant Despite Penalties

PA0803043596 Paris AFP in Spanish 0029 GMT 8 Mar 96

[FBIS Translated Text] Havana, 7 Mar (AFP) — This Thursday, Cuba suggested it does not believe penalties against its potential partners could prevent the completion of a Russian technology-based nuclear plant which worries Washington.

The government of President Fidel Castro has made enormous efforts to complete the nuclear plant at Juragua, located 350 km east of Havana, in an attempt to put an end to the oil dependency that is eating away at the country's foreign currency.

The works at the plant, which has two VVER-440 reactors, were suspended in 1992 due to a money shortage after the socialist bloc's collapse.

In April 1993, U.S. President Bill Clinton voiced the U.S. opposition to the plant's construction arguing security reasons and Cuba's refusal to sign the Nuclear Nonproliferation Treaty.

On Wednesday, the U.S. House of Representatives approved a bill, which had already been passed by the Senate, stiffening the embargo against Cuba and withholding aid from countries that participate in the nuclear plant construction.

Russia, which last month presented plans for creating a consortium with the purpose of completing the plant, would be affected by this measure.

Asked whether or not Cuba would continue its plans for the plant despite penalties against its partners, Cuban Foreign Ministry spokesperson Marianela Ferrol referred to the Cuban economic reforms and their growth, including the plant as part of this strategy.

"I will not lose sleep over this law," Ferrol said.

The Helms-Burton Law outlines Washington's concerns over the plant, including its doubts regarding Cuba's ability to operate and maintain it. It has cited reports that some of the plant's components have been exposed to and damaged by saltpeter, and pointed out the fact that the plant, located near Cienfuegos, is built over a seismic fault.

"Were there an accident, the summer winds could spread the plant's radioactivity to Florida, the gulf coast states, and Texas, while the northern winds could spread it as far as... Washington, D.C.," the text of the law states, citing a study conducted by the Oceanic and Atmospheric Administration.

Nevertheless, even if Russia — which also faces the threat of a reduction of U.S. subsidies for the monitoring station it maintains in the town of Lourdes — abandons the project, other countries which receive little aid from the United States, such as Germany, Great Britain, or Brazil, could complete the plant.

The Russian Nuclear Energy Ministry, whose number of potential clients is growing smaller, has displayed great interest in Juragua, which would be the first Russian plant in the Americas and the first built in the tropics.

Cuba: Maritime Transportation Pact Reached With Germany

PA0803031996 Havana Cubavision Network in Spanish 0100 GMT 1 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] Today, the Governments of Cuba and the Federal Republic of Germany signed a maritime transportation agreement.

At Foreign Relations Ministry headquarters, Deputy Transportation Minister Joaquin Benavides and Georg Trefftz, German ambassador in Cuba, signed the agreement. The agreement regulates maritime freight and passenger transport; thus, it will benefit trade between Cuba and Germany. Among other countries, Cuba has signed similar agreements with Argentina, Algeria, Vietnam, and Romania.

[Begin Georg Trefftz recording] The maritime transportation agreement is one more step in relations between our two countries. It means that we are improving our relations on a daily basis. The first agreement that we have signed, here, between Cuba and Germany, was an air transportation agreement.

Due to the frequent number of flights, we recently broadened that agreement. Now we are dealing with maritime transport, and the next agreement we are going to sign is aimed at protecting investments. The signing of that agreement is scheduled to take place in April.

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All of this proves that bilateral relations are on a good path and that we can work together on practical issues. [end recording]

Cuba: Eastern Army Leaders Admit Need For Improvements

PA0803031196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] Combatants from the eastern region continue to analyze the critical observations made by General of the Army Raul Castro, Revolutionary Armed Forces [FAR] minister, in 1986.

The struggle against subjective difficulties will continue. This was confirmed by members of the Eastern Army, now, when the 10th anniversary of the critical observations made by the FAR minister to the defense sector is near.

During a meeting to continue the process initiated in 1986, army commanders and officers admitted that the defense system in the eastern provinces and Camaguey — although there are good results — must improve. This should be done by taking advantage of the soldiers' creativity and the material resources that are available.

The attitude, guaranteed by tangible results amid the challenging special period, is: Yes, we can!

Intensifying the troop's night training, increasing the protection of personnel and equipment by constructing more tunnels, and improving the provincial combat readiness quality of schools are not unreachable goals.

During the meeting, presided over by Division General Nestor Lopez Cuba, head of the FAR's political directorate, the issues of increased training for reserve troops and militia, conservation of equipment and armament, food production, and the need for economic self-sufficiency, among other important tasks, were stressed.

Haiti

Haiti: Radio Reports on Situation in Cite Soleil 7 Mar

PA0803022896 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Mar 96

[From the "Waking Up Newscast"]

[FBIS Translated Excerpt] New confrontations took place on 6 March between national policemen and members of the brigade called the Red Army. The final toll is four dead including one policemen. There were several gunshots fired in Cite Soleil on the morning of 6 March. Barricades made with burning tires were set up in several neighborhoods including that of Boston, the eye of the hurricane. The shots were allegedly fired by members of the Red Army. According to the information received on the spot, several policemen were injured while intervening in this part of the capital. Other sources assert that four other civilians were killed during this operation. [passage omitted]

One of the policemen who participated in the operation led by the forces of order confirmed the participation of certain members of the Red Army. [passage omitted]

Anyway, the tension is still brewing in Cite Soleil, the main shantytown of the capital although there is calm on the surface this morning. However, as I told you a while ago, certain sources assert that the final toll of these confrontations is 4 dead including one policeman and several injured.

Haiti: Justice Minister Reacts to Cite Soleil Incidents

PA0803010496 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Mar 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] The justice minister has reacted to the incidents in Cite Soleil on 6 March. New Minister Pierre Max Antoine links the operation in the area to a vast manipulation movement. As he took office, the minister of justice promised to bring order to the country and urged the population to cooperate with the Haitian policemen.

According to Minister Pierre Max Antoine, the instigators of the Cite Soleil incident want to show generalized insecurity in order to sanction their own bad actions. He thus invites the Cite Soleil inhabitants to cooperate with the police in order to break up this network of gangsters who dare to disturb public order.

Haiti: Structures for Connection to Internet Finalized

PA0803022996 Port-au-Prince Signal FM Radio in French 1130 GMT 6 Mar 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] Haiti will soon be connected to the Internet. All the structures are being finalized to facilitate the connecting of Haiti to the world communications system, the Internet, stated Schiller Jean-Baptiste, director of Alpha Communications Network, ACN, during a news conference on 5 March on the premises of the USIS. [passage omitted]

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Mexico: President Zedillo on Political Stability

PA0703230296 Mexico City LA JORNADA in Spanish 4 Mar 96 pp 9, 10

["Transcript" of the speech by President Ernesto Zedillo on the occasion of the 67th anniversary of the founding of the Institutional Revolutionary Party, PRI, at the PRI's Plutarco Elias Calles Auditorium in Mexico City on 4 March]

[FBIS Translated Text] Fellow President of our party's National Executive Committee; fellow PRI [Institutional Revolutionary Party] governors; fellow National Political Council members; fellow National Executive Committee members; fellow Senators and Deputies of the National Congress; fellow Deputies of the congresses of the Republic; fellow municipal presidents; fellow union and peasant leaders; fellow party members: I come to our party, my party, with a profound conviction to celebrate with leaders and members the 67th anniversary of its founding. PRI members celebrate this event united.

The PRI is a political party united by the ideals that inspired the Mexican revolution and guided its founding.

The PRI is a party united by the conviction of its members in its Declaration of Principles, in the validity of its platform and program, in the resolve to remain a political institution that knows how to change for the better and knows how to change to grow stronger and respond to society more fully.

The PRI is a party united by the struggles and purposes, challenges and achievements that it has espoused alongside the Mexican people.

For that reason, because of what the PRI means to Mexico, I am proud to meet my fellow party members.

For that reason, because this is the party that represents my pride, my convictions, and principles, I come to commemorate its founding with you.

For that reason, because this is the party in which I have participated in politics and to which I am bound by ideals, respect, and solidarity, I am proud to come to its headquarters.

For that reason, because it is the party that led me to an elected office and with which I am proud to govern for all Mexicans, I come to join this celebration.

The PRI is a party that has been able to reconcile balance and progress, condense strength with vitality, and that gave stability to the country and encouraged change.

Political stability has been a historic contribution of the PRI with which our party has been able to win the support and consensus of the Mexican people and this has been recognized by Mexicans and foreigners, sympathizers and adversaries. That stability corresponded to a society that has changed now, that is today more complex, more dynamic, better integrated, and with new demands. It is a society with a more intense political life, more participative, and more competitive.

Today, this society wants a new political stability. Today, Mexico today requires a new political stability to strengthen economic recovery and growth of opportunities. Today, Mexico requires a new political stability to reach vigorous and sustained growth with sufficient and well-paying jobs. Today, Mexico requires a new stability to build a more fair and equitable society.

The political stability we must forge for the new century is to be founded in the prevalence of a strengthened rule of law and in the manifestation of full democracy.

We PRI members believe firmly that this new political stability, nourished by full democracy, must be created through the reform of the states.

For that reason, as a PRI member, as its presidential candidate, and as the president of all Mexicans, I have asked that we undertake and participate in that reform.

A reform to strengthen the republican balance between the branches of the union and uphold their relation based on respect and independence.

A reform to advance toward a new federalism that redistributes jurisdictions and responsibilities, decisionmaking capabilities, and the use of fiscal resources among the three branches of the government.

A reform to ensure that public functions are carried out with strict honesty and absolute transparency, serving in a responsible and impartial manner all citizens, giving clear and exact account of the honest and efficient use of the resources of the people.

A reform to advance toward electoral rules that guarantee the legality, transparency, and reliability of the elections, as well as equal competition for public office.

A reform to guarantee and consolidate a vigorous but always respectful competition among political parties.

As a basic part of the state reform, we PRI members give extremely high priority to an electoral reform, because it is in keeping with the nation's interests, meets a very strong social demand, and honors our conviction and commitment to democracy.

The electoral reform is a priority for PRI members because it will strengthen a peaceful and pluralist struggle and invigorate party life and citizen participation.

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We want, will propose, and will construct a definitive electoral reform not to eliminate future adaptations to new realities, but to put an end to conflicts that distort democracy and weaken political life.

We Mexicans want political struggles and elections to take place within an atmosphere of equity, stability, and democratic normalcy.

We Mexicans do not want recurrent conflicts that distract our productive energy and undermine our coexistence and development. No Mexican who is honest and has a sincere democratic conviction would place conflict over the state of law.

The honesty and genuine democratic conviction of a majority of the people are reflected in every federal and local election held since August 1994 that were characterized by their peacefulness, legality, and order. They were highly competitive and scrupulously respected by the federal government. They were honest and their results are in keeping with the people's will.

The subsistence of some disagreement, far from weakening the electoral reform and from dismissing the need to advance it, increases its prevalence, advisability, and urgency.

The honesty and democratic conviction of most Mexicans uphold the certainty that these disagreements can and must be completely eradicated with the electoral reform. This is the means specified by the Constitution and the only path allowed by democracy.

The only legal and democratic means to eradicate differences is through an electoral reform to add new agreements, which are clearly achievable, to the progress already achieved.

Among the progress achieved are innovative aspects that have been included in certain state legislations that were recently reformed.

More developed federal regulations represent the best stimuli for the establishment of more advanced local regulations. The sooner we have definitive electoral reforms for the federation the faster we will have state legislations to eliminate any source of dissatisfaction.

Those who are authentically committed to democracy at present know that it is a moral obligation to make contributions to the electoral reform. Those who are authentically committed to Mexico's political development at present know that they should encourage, promote, and enrich the electoral reform.

Those who are authentically committed to the prevalence of new political ethics know that these ethics should be reflected in work toward achieving a definitive electoral reform.

Thus, citizens will have much reason to question those who seek to interrupt the reforms just when the negotiations are starting to generate important agreements.

Citizens will have reasons to question those who stay out of the main negotiation when there are unprecedented agreements such as those achieved in the electoral reform of the federal district. Citizens will have reasons to doubt the conviction and democratic conviction of those who want to paralyze reforms that seek to eliminate the anomalies that they have cited as reasons for their disagreement at present.

The citizens will suspect, and with reason, that those who are behaving in this way at present prefer to live in disagreement than in a democracy; that they prefer an immediate problem over a definitive solution. The citizens will question those who prefer to delve on the old conflict instead of advancing toward democratic certainty and who prefer to break their commitment before giving up their propagandistic actions.

Citizens will not fail to realize that it is entirely contradictory to call themselves victims of centralism and, at the same time, ask for centralized solutions to local conflicts.

Citizens will not fail to realize that it is entirely contradictory to disown authoritarianism and at the same time, ask the president to invade the jurisdiction of other authorities.

Citizens will not fail to realize that it is entirely contradictory to demand respect for the law and, at the same time, fight for solutions that violate the law.

Citizens will not fail to realize that it is entirely contradictory to proclaim civility and respect and, at the same time, propagate insult and rancor.

Absolutely and with every good reason, citizens will determine that these contradictions reflect an ambition to exercise power that is no longer in keeping with our political reality; an ambition that considers power as its own even before competing for it. This is ambition for a vertical, centralized, authoritarian, and arrogant form of power.

Just as the PRI does not expect to remain in power by maintaining the validity of an old system, it is inappropriate for others to attempt to seize and unlawfully hold power with the same old rules as it was done under the old and invalid system.

Today, society is making demands. Our commitment with Mexico and our democratic principles demand that all of us should participate in and do our share toward electoral reform. Therefore, I believe that our citizens'

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common sense will move everybody to reflection, and that electoral reform is the permanent short-term solution to electoral problems that we should all undertake immediately. This is an unpostponable and necessary measure toward complete democracy. The Mexican society is demanding this measure from the government, political parties, who are the political role players, and social organizations. Let us take this step with determination and coherence, with a genuine disposition toward dialogue and agreement, with respect for all and among all, and with the democratic conviction that negotiation gives birth to a consensus.

We will continue working toward an electoral reform that is the result of dialogue and negotiation, of positive contributions from all, of a well-reasoned agreement and good faith, of a joint responsible effort by the people's representatives, and of the use of previous advancements.

I fully believe that in this electoral reform, within the framework of the state reform, PRI members will have to make a profound transformation in their political party. To undertake this task, we may count with Santiago Onate's strong leadership and democratic inclination.

We count with PRI leadership and with the confirmed organizational ability of millions of our men and women, both adults and youth, who are proud PRI members.

We PRI members who have the responsibility of representing the people and public duties, thanks to the supporters of our political party, will continue working toward a state reform by a new means of exercising power, doing so more closely and more responsibly with each community, giving more efficient and prompt attention to comply with community demands.

Representing the people always requires a willingness to listen, to hold a dialogue, to debate, to convince, to make laws, to make improvements, and to become jointly responsible so as to strengthen the republican system. In addition, to exercise presidential power in strict compliance with the constitution requires a government for all that devotedly works toward patriotism and loyalty to the nation.

To exercise presidential power requires constant respect for all political parties so as to contribute to a democratic process that all of us Mexicans will identify with.

I know that I can count on the support of our political party in exercising this presidential power! I well know that in order to better serve Mexico, the PRI is my government's largest and best source of support and legitimacy.

I know that in order to achieve our programs and reach our governmental objectives, I can count on the assurance of this country's best political membership, with the strength of Mexico's best party, and with today's unity for the PRI forever. Today, like 67 years ago, we at PRI are united in our convictions and principles. We are united in our determination to lead in the construction of a new political stability for Mexico.

We are united in our determination to lead in our struggle for democracy and social justice.

Mexico: PAN's Communique, Criticism of Zedillo Statement

PA0703232596 Mexico City EL FINANCIERO in Spanish 4 Mar 96 p 59

[FBIS Translated Text] The National Action Party [PAN] leadership "strongly" rejected President Ernesto Zedillo's statement because, in the party's opinion, it is an "accolade" for PRI [Institutional Revolutionary Party] mayors and criticizes those of the opposition.

In a communique, the PAN's National Executive Committee termed the president's statement "factious," improper, and groundless. Mayors must work honorably, honestly, and openly, so his statements do not conform to the duties of an official who must look "beyond partisanship in the exercise of his high post," it explains.

The committee members added that opposition municipal authorities have been rewarded by federal government agencies in recognition of their efficient and honest work.

They also state the president begins a dispute without grounds or need, with an offensive manner and annoying tone, and this compounds the economic and political problems the federal government cannot solve.

They consider that the statement given by the president of the republic represents an "accolade" for PRI mayors.

Referring to what PRI President Santiago Onate said against PAN leaders, they define his statements as "slander and lies," and they assert that they are consistent with his role as "employee of the one who appointed him and with whom he surely wants to curry favor."

They also remind Santiago Onate the president said one cannot proclaim civility and respect while abounding in "insults and rancor."

Regarding their return to the reform negotiations, they explain that they will not return to endorse and perpetrate political barbarianism and anti-democracy as long as the post-electoral conflicts in Huejotzingo, Puebla, Cozumel, and Cancun remain unsolved.

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Mexico: Communications Equipment Taken From Tijuana Cartel

PA0803004996 Mexico City LA JORNADA in Spanish 5 Mar 96 p 13

[Report by Ciro Perez Silva and Jorge Alberto Cornejo]

[FBIS Translated Text] During Friday's Operation Alacran against the leaders of the Tijuana Cartel, the Arellano Felix brothers, Attorney General's Office (PGR) personnel seized a "sophisticated" communications system that allowed drug kingpins to communicate with Central America and the United States.

Likewise, the PGR crew managed to seize a marijuana greenhouse in which the most modern techniques were being used to grow the plant. The authorities raided the greenhouse located in Panuco No. 23 street, Morua Campestre neighbhorhood, Tijuana, and found it contained an Israeli drip irrigation system and computer-controlled lighting, temperature, and ventilation equipment.

According to investigations, the use of the sophisticated technological advancements at this 70-square-meters greenhouse allowed the marijuana growers to produce almost half a ton of high-quality marijuana every six weeks. The sale of this drug on U.S. streets yields approximately $500,000 in profits.

The seeds used are of Dutch origin, and they were germinated to obtain genetic improvements. Miguel Cruz Lopez, who took care of the modern irrigation and equipment, believed to cost more than $1 million, was arrested at the site.

On the other hand, Antonio Garcia Suarez, Baja California human rights ombudsman, announced that at least five complaints had been received from Tijuana residents about violations of their civial rights during house searches. In some cases, there were damages, and one complainant even protested that valuable objects such as jewelry and expensive watches had been "lost" during the operations.

PGR State Delegate Luis Antonio Ibanez Cornejo gave assurances that this institution's Internal Audit Division had relayed instructions to have all damages assessed so that they would be compensated as soon as possible, although he explained that no one had yet filed a formal complaint.

In this respect, State Secretary General Rodolfo Valdez Gutierrez announced that the state government endorses any action against drug trafficking, but that it rejects all unwarranted measures.

On the other hand, PGR sources stressed that actions adopted last Friday during the Federal District and Tijuana operations are all part of the struggle against drug trafficking and not merely "isolated actions or made in an random manner. These operations were intended to arrest the Arellano Felix brothers, leaders of the Tijuana cartel."

The same sources added that this past weekend other operations had been carried out in Nuevo Leon. "The difference is that we are now attacking the Gulf as well as the Pacific, Garcia Abrego's organizations as well as that of the Arellano Felix. There lies the difference with respect to previous state governments," they asserted.

With respect to the results of the operations, they pointed out that they had been able to gather "crucial" information on the activities of the Arellano Felix brothers with which they expect to "diminish" their area of operations.

In reference to the participation of Mexican Army troops in the Tijuana and Federal District operations, the PGR sources stressed that the military "is equipped with modern weapons and is better trained, while the Federal Judicial Police (PJF) only have their regulation weapons, which would make any confrontation somewhat uneven."

They reiterated that the army's participation was necessary, because the PGR does not have the equipment needed to challenge the criminal organizations "while the drug traffickers even have grenade launchers."

Finally, Datel Corporation rejected allegations related to the capital invested in its communication equipment being connected to drug trafficking or that part of the firm had been taken over as the PGR announced this past Friday in its official communique No. 184/96.

Jorge Santacruz Fimbres, general director of Datel in Tijuana, denied that the firm's installations, located in Oaxaca No. 12121, Agua Calientes neighborhood, had been taken over as the communique points out.

Mexico: Response to Criticism of Police, Army Operation

PA0803010396 Mexico City Radio Red Network in Spanish 0000 GMT 6 Mar 96

[From "The Night Monitor" newscast]

[FBIS Translated Text] [Anchor Martin Espin[illegible] Tuesday, some senators commented on the o[illegible] conducted over the weekend by the Federal [illegible] Police, with the aid of the Mexican Army, to a[illegible]y arrest the Arellano Felix brothers. Gloria Hernand[illegible]z has the following report. Good afternoon, Gloria.

[Hernandez] Good afternoon, Martin. Senator Alvaro Vallarta, chairman of the Senate's defense committee,

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has stated that the military and civilian authorities should investigate what occurred last Friday, during the Tijuana operation, and explain if any crimes should be exposed. During an interview, Vallarta called on any injured party to file charges in order to punish any abuses of power with sanctions.

The PRI [Institutional Revolutionary Party] senator has affirmed that the Army adhered to the law. The Army only backed, but was not in charge of the operation to allegedly arrest dangerous drug traffickers.

[Begin Vallarta recording] I understand that the Army only supported the operation. I believe that the Mexican people, members of the Armed Forces, and the Army leadership would demand punishment for any person responsible for committing a crime, whomever that person might be. In that regard, the law makes no distinctions between persons in uniform, civilians, or officials. The law is applied to anyone who commits a crime, even if committed during the overzealous fulfillment of duties. [end recording]

[Hernandez] Vallarta thinks that the failure of the operation probably lays in the overabundance of information, including false hopes and overconfidence that the Arellano Felix brothers would be arrested. He added that criticism should not be aimed at the National Defense Secretariat, as an institution, because it does not conduct police work. It only cooperates with operations involved in the fight against drugs.

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Guatemala

Guatemala: Minister Reports Troops To Patrol Streets

PA0703180096 Guatemala City Televisiete Television in Spanish 1900 GMT 5 Mar 96

[From the "Channel Seven News"]

[FBIS Translated Text] Guatemalan Defense Minister General Julio Balconi Turcios has confirmed that Army troops will be sent to patrol the streets of the country's main cities due to the uncontrollable violence in the country.

[Begin recording] [Balconi] We have coordinated a program to be implemented at a national level. It is a program that attempts to attack the crime wave that is hitting the entire country. This, in general terms, is what we discussed with the minister.

[Reporter] What strategies will be used?

[Balconi] The Guatemalan Army has always cooperated with the police in all issues related to investigations and fighting crime in Guatemala City. Now, as I told you, we are going to extend our cooperation to the interior of the Republic and we have talked about a regionalization. What follows now is a meeting between our commanders in the interior of the Republic and the chiefs of police.

[Reporter] Have you sent a memo to the commanders in this respect?

[Balconi] Yes, we have prepared a memorandum that is to be signed by the President today. The government and defense ministries will start working as soon as the President signs it. [end recording]

Panama

Panama: Peru's Fujimori on Reelection, Antidrug Efforts

PA0703220896 Panama City Telemetro Television Network in Spanish 1730 GMT 6 Mar 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Peruvian President Alberto Fujimori held a news conference, in which he discussed the topic of presidential reelection. Here are the details.

As part of his work agenda, the Peruvian president held a news conference in which he referred to economic issues, among other things. He pointed out the reciprocity that should exist between the two nations. Fujimori stressed that Panama has been given the opportunity to be observer of the Andean Group.

[Begin Fujimori recording] Within two or three days, I will be receiving President Perez Balladares in the city of [word indistinct]. With regard to terrorism, everyone knows how much my country has suffered for 13 years and that in two-and-a-half years, we put an end to this terrorism. Peru already has the technology — let's refer to it in this manner — to fight terrorism. If there are signs of infiltration, if at any moment we have any suspicion, we are very willing to cooperate. I believe this is an extremely important area in which international cooperation must be strengthened. [end recording]

The reporters asked Fujimori to speak about the presidential reelection at a time when this issue is being broached in Panama.

[Begin Fujimori recording] Today, I saw a caricature depicting a karate hold. It is argued that there is no tradition of presidential reelection, but this is precisely why we should put methods to the test that are authentically democratic. The reelection is a clear-cut process. It is not a matter of selectively appointing someone nor is it a decision influenced by a group of persons. It is a selection by popular vote, and the people should have a choice in this regard. Therefore, we will make it a tradition. We cannot speak of a tradition yet, but currently, there are at least two reelected presidents. [end recording]

Regarding drug trafficking, he stressed that Latin America has been identified as being responsible for producing drugs, but no one sees the other side of the coin.

[Begin Fujimori recording in progress] ... responsible for producing, marketing, and exporting the drug, but let's see the other side of the coin. I view this situation as a Latin American and as an advocate of the market economy, and what comes to my mind is why do they import such a large volume of drugs? This is my question, and why do they not control this import of drugs. Thus, this side of the coin should be the point of departure for anyone who calls for reducing the production of drugs at the international level. [end recording]

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Argentina

Argentina: Government Passes Resolution Condemning UK

PY0703162996 Buenos Aires TELAM in Spanish 0308 GMT 7 Mar 96

[FBIS Translated Text] Buenos Aires, 6 Mar (TELAM) — The Chamber of Deputies adopted a resolution this evening stating that the UK Government's intentness on collecting fees from Argentine fishing vessels to license them to operate in South Georgia Island's exclusive economic zone constitutes a violation of international law.

The lower chamber passed the resolution by a unanimous vote. There was broad consensus on the final text of the resolution, which was the outcome of several initiatives by Radical Civic Union Deputy Federico Storani; Deputy Juan Pablo Cafiero from the Front for a Country in Solidarity; and Peronist deputies Juan Carlos Piriz, Jose Corchuelo Blasco, and Juan Carlos Castillo — a unanimous vote.

Congressmen denounce "Britain's illegitimate claim to the collection of fees to authorize fishing in the Malvinas, South Georgia, and South Sandwich Islands' waters."

In addition, they resolve "to denounce the UK Government's action and threat to resort to the use of force as a breach of international law and as a malicious failure to comply with obligations contracted by that government in signing the Convention on the Conservation of Antarctic Marine Living Resources."

Lawmakers reiterate, in the resolution, "the Argentine people's unswerving will to regain full sovereignty over the Malvinas Islands through mechanisms utilized for the peaceful settlement of controversies."

In concluding, the Chamber of Deputies resolution requests that the executive branch send this resolution to the UN secretary general and the UN Security Council.

Argentina: New Incident Over Fishing Fees Confirmed

PY0703173796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1341 GMT 7 Mar 96

[FBIS Translated Excerpt] Buenos Aires, 7 Mar (NA) — Guillermo Gonzalez, foreign policy under secretary at the Foreign Ministry, confirmed today that on 5 March, there was another incident involving an Argentine vessel that was fishing near the South Georgia Island.

Nevertheless, Gonzalez made it clear that "there was no hostile action, but only a radio communication" between the captains of a Royal Navy frigate and an Argentine vessel that was fishing for black hake in South Atlantic waters.

The Foreign Ministry official stressed that yesterday there was "a more serious incident involving the detention of a vessel sailing under the Chilean flag for refusing to pay fees to fish for black hake."

Gonzalez declared: "We deem that Britain's claim to the collection of fees from fishing vessels operating within South Georgia Island's exclusive economic zone is a new element that renders negotiations more complex. This is why Foreign Minister (Guido) Di Tella termed the incident serious."

To that effect, the foreign policy under secretary noted that negotiations concerning a fishing accord in the South Atlantic "were well under way, but this new development has complicated matters in such a way that it precludes us from carrying on with these negotiations."

Gonzalez made it clear that on the diplomatic front, "dialogue is never definitely interrupted." He nonetheless conceded that negotiations have reached a stalemate, since both parties are not getting down to specifics and no further meetings have been scheduled with British authorities to discuss this issue.

Going back to the incident between the Argentine fishing vessel and the British frigate, the Foreign Ministry official said that he had "quite reliable information obtained from the ship owners on how things happen."

To that effect, he explained that the vessel sailing under the Argentine flag was fishing near the South Georgia Island's 200-mile limit when its captain was asked by radio whether he was going to pay fees for fishing for black hake. The captain answered in the negative and steered the vessel some kilometers away from the zone.

Gonzalez added: "It is a concrete and serious action. It is not an incident inasmuch as no hostile action occurred. There was only a radio communication to the captain of the Argentine vessel, which moved off, outside the 200-mile limit."

In reply to a question concerning whether there are other Argentine vessels in the area, Gonzalez deemed that "there may be some in the Camelar [Convention on the Conservation of Antarctic Marine Living Resources] area, that is, in sub-area 48.3, which lies outside the South Georgia Island's 200-mile limit."

The foreign policy under secretary pointed out that Britain has not yet responded to the protest lodged by the Argentine Government. Still, he explained that "diplomats usually take their time to study and answer notes." [passage omitted]

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Argentina: Menem Elected Provisional Senate President

PY2702181796 Buenos Aires LA PRENSA in Spanish 22 Feb 96 p 3

[FBIS Translated Text] The Senate yesterday elected Justicialist Party Senator Eduardo Menem, for the eighth consecutive time and unanimously, as provisional Senate president. Legislators also unanimously accepted Senator Jose Octavio Bordon's resignation.

During the session, which was presided over by Vice President Carlos Ruckauf, Senators also elected Antonio Cafiero and Leopoldo Moreau as Senate vice president and first vice president, respectively.

Argentina: 'Explanations' Sought For UK Plane Overflight

PY2702181496 Buenos Aires TELAM in Spanish 2344 GMT 23 Feb 96

[FBIS Translated Text] Buenos Aires, 23 Feb (TELAM) — The Foreign Ministry today asked British diplomatic representatives for explanations for the overflight of a plane that is presumably based in the Malvinas Islands on an Argentine trawler sailing in waters that are not under dispute in the sovereignty conflict.

"West Europe Director Vicente Berazategui today presented at the Foreign Ministry a formal request for explanations addressed to the United Kingdom's business attache in Buenos Aires," the spokesman said.

The overflight occurred at the end of last week and it involved a trawler sailing in Argentine jurisdictional waters.

According to the spokesman, the plane overflew the trawler without identifying itself and then flew due east, for what it is presumed that it is based in the Malvinas Islands British military base.

The trawler's crew reported the incident to Navy authorities, which transmitted their concern to the Foreign Ministry, the spokesman concluded.

Argentina: Nation Becomes OECD Trade Committee Observer

PY2702181296 Buenos Aires TELAM in Spanish 1541 GMT 26 Feb 96

[Report by unidentified Paris correspondent]

[FBIS Translated Text] Paris, 26 Feb (TELAM) — Argentina became observer of the OECD Trade Committee today, according to what was made public by Alberto Kohan, secretary general of the Presidency, in the French capital.

Following a meeting between President Carlos Menem and OECD Secretary General Jean-Claude Paye, Kohan reported that Argentina "was accepted as observer, which constitutes another step towards our country's definitive integration into this industrial nations' club."

Changing the subject, Kohan said that following an address that lasted for 40 minutes, Menem answered the questions put to him by OECD representatives, who were interested in the possibility that Chile and Bolivia will join Mercosur [Common Market of the South].

The secretary general further stated that OECD representatives expressed an interest in the privatizations undertaken under Menem's Presidency.

Kohan added that Menem's behind-closed-door address was about "the economic and political stability" and "legal security" that reign in Argentina since the implementation of the Convertibility Plan.

Argentina: Menem Denies Changes in Military Leadership

PY2702024796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2248 GMT 26 Feb 96

[Report by unidentified special correspondent]

[FBIS Translated Text] Paris, 26 Feb (NA) — President Carlos Menem emphatically denied today that he plans to remove the Armed Forces leadership. He noted that "in no way" does he have such a goal.

Denying a newspaper report on changes in the military leadership, the president pointed out: "I am the Armed Forces chief, and I hope (the current commanders) will accompany me for another four years."

In this manner, Menem denied a report published today by a Buenos Aires morning daily, asserting that a decision had been made to replace the four military chiefs [of staff] before the end of the year.

According to the aforementioned report, the president would replace Lieutenant General Mario Candido Diaz, the joint chief of staff; General Martin Balza, the Army chief of staff; Brigadier Juan Paulik, the Air Force chief of staff; and Admiral Enrique Molina Pico, the Navy chief of staff.

Argentina: Auditing Office Raises New IBM Deal Questions

PY0803013996 Buenos Aires CLARIN in Spanish 28 Feb 96 p 14

[Report by Omar Lavieri]

[FBIS Translated Text] On 26 February, Federal Judge Adolfo Bagnasco received a final report from the

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National Auditing Office (AGN). The report raises new questions on the contract won by the IBM company to computerize Argentine National Bank [BNA] branches. The AGN states that the consulting firm that formulated the bidding conditions worked it out in such that only IBM had any chance of winning the 250-million pesos contract.

The AGN is presided over by Radical [Radical Civic Union, UCR] leader Enrique Paixao. He handed the report to the Mixed Accounts Revising Congressional Commission on 19 February with copies to BNA President Roque Maccarone and Judge Bagnasco.

The report says the commission found several irregularities in the process to contract the consulting firm Deloitte & Touche. This firm signed four agreements with the BNA to implement the bank's computerization.

This consulting firm came third in an evaluation by a BNA team. No one explained why the company that came first in the evaluation (IBM Consulting) dropped out. Thus, Deloitte & Touche competed only with Andersen Consulting (which came second in the evaluation) and ended winning four contracts worth almost 9 million pesos thanks to its lower prices.

The consulting firm Deloitte was not only questioned by the AGN. The justice department is also investigating it over a company created by the wives of former Deloitte partners Manfredo Zwirner and Alberto Manfredi. The company is called Availability.

This company purchased from ITSA [expansion unknown] (which was owned by Zwirner and Manfredi) the license for a special software (SFI II) and then sold it to IBM for $18 million.

After this operation was concluded, Juan Ignacio Garcia del Rio (a relative of Juan Carlos Cattaneo, Alberto Kohan's former deputy at the General Secretariat of the Presidency) purchased Availability, thus establishing a link with CCR [expansion unknown] (which in turn was used to channel 37 million pesos, possibly for paying bribes).

Yesterday, Eduardo Steinmann, a partner in the consulting firm Deloitte, testified before Judge Bagnasco. Zwirner, another of the individuals who operated on both sides of the counter — he advised the bank and received part of the business — testified on 26 February. Today Judge Bagnasco will hear the testimony of Roberto Oneto, a delegate for the consulting firm in the BNA computerization project.

The Deloitte affair was made public by UCR Deputy Leopoldo Moreau in August 1995 during Economy Minister Domingo Cavallo's interpolation. On that occasion Moreau said "the consulting firm sold to itself the software that IBM wanted to install at the BNA branches," referring to Availability.

Court investigators think the Deloitte operation could have been a source of money to pay bribes.

The justice department suspects that the 37-million peso IBM contract with CCR to install an alternative system could be another source of money for bribes.

The main objections raised unanimously by all AGN members were as follows:

— "We must stress that the link between the BNA and Deloitte, even though broken in different contracts, is a single one, distorted and made expensive by the creation of stages."

— "The contracts and the analysis of the different documents indicate initially that the consulting firm Deloitte has unjustifiably oriented its proposals toward products the local supply and availability, which required the indispensable participation of IBM."

— "During the entire process BNA officials opted to follow the suggestions and orientations of the consulting firm. Directors did not use their prerogatives, which they cannot renounce or least of all refuse when confronted with suppositions casting doubts on the propriety of the consulting firm's recommendations."

— "In addition, the proceedings established for the development of the project included control mechanisms that were not used properly and no report was produced to explain what happened."

Argentina: Jewish Community Thanks Menem For Peace Work

PY2902004196 Buenos Aires TELAM in Spanish 1047 GMT 28 Feb 96

[FBIS Translated Excerpt] Paris, 28 Feb (TELAM) — The Council of Representatives of French Jewish Institutions today gave President Carlos Menem a ceremonial candlestick designed by Salvador Dali as a show of gratitude for his efforts to reconcile the Arab and Jewish peoples.

Henri Hajdenberg, head of the French-Jewish association, said: "We are giving you this present in recognition of your respect and warmth toward the Jewish community in Argentina and toward Israel, and also for your efforts to reconcile Arab and Israeli peoples." [passage omitted]

At the end of the meeting with Menem, which was not on the presidential agenda, Hajdenberg talked with Argentine reporters using expressions of obvious warmth toward Menem.

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Hajdenberg stressed the collective character of the present, adding that it will "remind the president of France, Paris, and the French Jewish community."

Menem received another present: A box of Swiss chocolates, which he accepted with a broad smile saying: "This is a good present; I may consume most of it."

Argentina: Commentary Highlights Menem Visit to France

PY0603235796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2323 GMT 29 Feb 96

[Article by special NOTICIAS ARGENTINAS correspondent Viviana Marino]

[FBIS Translated Text] Paris, 29 Feb (NA) — After his official visit to France, the Argentine president's most salient achievements included a commitment to future French investments in Argentina, an emphatic support for the economic policy implemented by the government of Carlos Menem, and the French Government's commitment to join a joint mission of white helmets.

Within the framework of a three-day visit, Menem also signed agreements on scientific and technical cooperation in the use of nuclear energy and made progress in the negotiations on Argentina joining the OECD, an organization that includes countries which, given their level of production and participation, have a decisive influence on the international economy.

Despite the explanations given by the president himself and by government officials, the controversial case involving Frigate Captain Alfredo Astiz, indicted by the French courts for his involvement in the kidnapping and disappearance of two French nuns during the last military government, became the backdrop of the Argentine president's official visit to France.

The thorny confrontation between Foreign Minister Guido Di Tella and French human rights associations during the second day of President Menem's visit exposed the dormant conflict and elicited an immediate response from the Argentine Government that announced the payment of compensation to the nuns' relatives "over the next few days."

Nevertheless, the president emphasized that, during his official meetings, not a single French Government official had raised the Astiz issue. Some of Menem's inner circle members, however, confided that the remarks on the possibility of a coup d'etat that were allegedly made by Di Tella caused the foreign minister's meeting with the NGO [nongovernment organization] members to be "utterly inappropriate."

The economic agreements achieved during Menem's visit, which ended yesterday, also drew attention to Economy Minister Domingo Cavallo, who was extolled by his French counterpart, Jean Arthuis. Arthuis emphasized that the Argentine economy minister has been "coherently and courageously" implementing President Menem's transformations.

Nevertheless, the praise voiced for Cavallo — who again finds himself in the eye of the storm over his controversial allegations against post office entrepreneur Alfredo Yabran — has been limited by the explanations given by Menem on many occasions on who was responsible for the "success" that has been achieved by his government since he became president in 1989.

Menem took advantage of his audiences of economists to emphasize that the economy's success has been linked to the political leadership and that, without such a leadership, any program runs the risk of collapsing. Therefore, he claimed responsibility for our "country's great transformation," as a result of stability and the Convertibility Program.

During a news conference, closing his activities in Paris, Menem pointed out: "Even having the best economy minister, any program can collapse if there is no political leadership, real political leadership." After arriving in Paris, Menem met French President Jacques Chirac in the early morning hours of 26 February.

While making his announcements on investments, the president emphasized the commitments entered by the Peugeot and Renault companies to establish new industrial plants in Argentina and a commitment entered by the Lyonnaise des Eaux company to implement a decontamination project for the Riachuelo and the Matanza River.

In addition to his achievements in the field of investments, the president also received an award from the traditional and historic Sorbonne University that decorated him with the Paris Universities medal during a protocol ceremony in which Argentine Government officials, French Government officials, and French cultural representatives participated.

The award was described as another achievement for our government that trusts that the president's image has not been tarnished in the eyes of the French society over the repercussions that the kidnapping of nuns Leonie Duquet and Alice Domon has had in France. Astiz has been sentenced — in absentia — to life imprisonment for the disappearance of these nuns.

At all times, Menem emphasized the strong ties existing between the two nations. He noted that Argentina "now offers confidence and security" to French firms that

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want to invest in our country. Menem emphasized that his visit, which also included a meeting with Prime Minister Alvin Juppe, served "to enhance and strengthen" bilateral relations.

In this regard, Menem and Juppe committed themselves to working toward breathing new life into the cultural ties existing between Argentina and France, especially through the dissemination of languages and joint work on education-related issues.

Argentina: President Opens Congress Session 1 Mar

PY0103203096 Buenos Aires Argentina Televisora Color Network in Spanish 1400 GMT 1 Mar 96

[Address by President Carlos Menem before a joint session of Congress on the occasion of the opening of the 114th session of Congress in Buenos Aires — live]

[FBIS Translated Text] This is the first time ever that a president of the Republic who has been reelected pursuant to the constitutional reform of 1994 opens a new session of Congress. I think it is necessary to underscore the historic significance of this event before accounting for this past year in office, which was strewn with difficulties and achievements. It goes without saying that I am going to assess the state of the nation, even though pursuant to the new Constitution, it behooves the chief of cabinet to draw up a detailed report on the state of the nation — which you have before you, honorable congressmen — and on the progress of the administration in order to inform Congress about this on an ongoing basis, something which he has already done on four occasions.

Today, I would like to underscore before the people and its representatives who are attending this joint session of Congress the scope and depth of the changes currently being undertaken in our country. When I began my second term of office as president of the Republic, I was aware that my government program would be incomplete if I did not effect deep institutional, economic, and social reforms that would complement the thorough political reforms instituted so far. The 1994 constitutional reform enabled us to design a new state capable of having an open and dynamic administration increasingly involved in the defense of individuals and their human rights. Public administration should not be hampered by bureaucracies which are deft at putting a spoke in the administration's wheel. Nor is it fair that citizens' money should be spent to maintain inoperative government agencies. When I visit the cities and villages of my country I wonder of what use it is for those women and men who laboriously toil from dusk to dawn to earn a living a federal government which keeps creating numerous agencies that do not help to make the administration more efficient and least of all to allay social affliction.

Urgent events or contingencies often hide important things. Individualism, sectarian policies, and fantasy obscure the overall view, the ideal we cherish, the orientation and scope of our actions. We must chart and build our future rather that speculate on our future for electoral purposes because men — and particularly political parties, whose existence and dignity are acknowledged in the new Constitution — must be aware that the future can only be forged here and now.

Honorable Congressmen, we must now take up the challenges facing us in this crucial year, in which we will have to meet 12 challenges, namely to: 1. Fully implement the new constitutional mechanisms; 2. enhance, through the second reform of the state, the system of popular participation and fair dealing envisaged in this reform; 3. effect a political reform of the state by enacting new legislation on political parties, their financing, and an electoral system that does not constrain citizens' options in the election of their representatives; 4. pump-prime the economy once again and eliminate unemployment; 5. consolidate our insertion in the Americas and in the world by means of a revamped productive and exporting drive; 6. enhance federalism and regionalism to prevent any lopsidedness in our development; 7.establish the bases for an authentic education directed toward change and progress; 8. promote the scientific and technological progress of the nation; 9. insure health, housing, justice, and security for all, beginning with those that have less; 10. open a horizon of trustworthy hope for young people, within the framework of respect for the environment, in order to preserve the country's resources for future generations; 11. struggle against internal and external scourges such as terrorism, drug trafficking, and corruption; 12. strengthen a real, but harmonious independence, articulated with state powers. The laws that will define the guidelines and the appropriations to finance the solution of these demands are drafted in these chambers.

Precisely now, during these long days and years separating us from the new century, we must sow, with austerity and efforts, what will be harvested later with happiness.

What we have done so far and what we do in this founding and consolidating period will shape the value and volume of the inheritance that we so much care about.

What we must still do is not too little. What we have done is not too little either.

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First, we must adapt our mentality and practices to the spirit and the letter of the Constitution we have sworn to respect. We are indebted with that exemplary Constituent Assembly, which — just as I said on 8 July — was the only one in Argentina where all political parties were represented and it was the only one approved by the entire population through their vote.

The constitutional reform establishes a new sharing of national political power and approves a regime of open administration with the full participation of all women and men in the country.

We are sending to this honorable Congress a draft bill that we consider very important because it promotes the improvement of national laws making them more in accordance with our Constitution's pluralist and inclusive spirit. This bill will give foreigners with permanent residence in our fatherland the right to participate in the election of national authorities on equal footing with Argentine citizens. Our Constitution created the Council of Magistrates with this spirit of open administration and full participation. It thus promoted an optimum system that you, honorable members, must organize. The Constitution also gave new powers to the electorate when it permitted people's initiatives, plebiscites, and referendums. It strengthened the attorney general's office, the national auditing office, and the ombudsman, among another dozen things, and gave them Constitutional hierarchy. The Constitution instituted the autonomy of the city of Buenos Aires, which this year will already have its own government.

The Constitution declares that human rights must prevail over federal and common rights. In any case, Congress has the most important task of approving regulations for international treaties dealing with human rights. These treaties have constitutional hierarchy. Those regulation will permit citizens to enjoy new and important rights.

Argentina's new step in the area of international law and human rights is probably the most significant step taken by the country in decades to protect the honor and dignity of men, women, children, the elderly, the handicapped, and all those who suffer persecution as a consequence of unmerited prejudices.

Human rights now have a constitutional hierarchy and my administration will insist on alleviating all sufferings. In my speech on the occasion of my second inauguration I announced, within the framework of human rights, that I would struggle against unequal development, that is, I would promote growth with social justice. Growth with social justice is not a demand for mercy, it is a demand for respect of human rights.

Unemployment, misery, unattended suffering, unprotected children, discrimination, and exclusion cannot wait for the results of an economic miracle. The nation's greatness cannot be in contradiction with people's happiness. General Juan Peron, whom I would like to quote here, said about the issue: It is preferable to have a small country with happy people than a great nation with unhappy people.

In the area of social spending, the cleaning of our public accounts has made possible the released of funds that allowed the government to invest unprecedented amounts in social programs. This investment aims at promoting education, training, and social organizations, besides organizing social assistance programs.

But I wonder — just as you, representatives of the people and other social, cultural, and economic leaders who are listening — is this an exclusive government responsibility? Is it enough to approve a daily program to promote employment? Will it end with the lack of jobs and the suffering of some many Argentines? During decades our public opinion demanded the modernization of our society and its adaptation to the current trends of freedom and competitiveness. I followed those demands firmly. Thanks to this firmness we destroyed stagnation and inflation, the worst enemy of those who have less.

At the beginning of last year and throughout 1995 we had to face the worst financial crisis ever faced by Argentina since the great depression of the 1930's. But we did not give up the defense of the value of our recovered currency, conscious that this was the best way to protect those who need the most. Today I must made a call to civilian society as a whole to recognize and assume, together with us, the responsibility for respecting each Argentine citizen's right to earn an honest living.

In six years, thanks to God and the people who supported me, I was able to show that you can transform a country. Today, just like yesterday, I continue to need people's firm support. I need the people to play a role in a deep social mobilization, without distinction of sex, age, belief, or ideology. No economic undertaking must be launched without a study on the investment in human resources. The humanization of economic relations must have priority over the irrational or unnecessary use of technological means. The most advanced technology is the one that gives priority to human beings' work, housing, health, and dignity.

In this way, and only in this way, society and state, together, will be able to achieve just growth, which will renew our pride of being Argentines. We want to implement a new state theory, a new efficient

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state, a state with solidarity in our land. The isolated, indifferent, and patronaging state is dead.

Today to the idea of nation-state, we have to add that of the solidarity-state, the integration-state, the community-state, the political, and economic state. In order to do that, it is necessary to update our civic ideas and make them conform to present realities, including that of supranational political organizations. In order to do that, we must reformulate community laws that produce, interpret, and hierarchize the code of laws. After having undertaken an institutional reform within the framework of the constitutional reform, it is of utmost importance that we formulate a new legal set of rules, a theory that will harmonize current rules of coexistence with those that will be prevalent in the future. In order to light this torch that will guide us in your footsteps, we call upon scholars, students, all citizens to join with us in the search of innovative strategies. These strategies, which will be part of a major pool of ideas, are of paramount importance to draw up the central guidelines that will update our concept of nation, integration, unions, and common markets of all sorts. We are not afraid of utopias because we have been creating a utopia. From a welfare, profligate, and bloated state characterized by patronage, in which nobody dared change and which plunged us into chaos, we created a utopia characterized by a strong currency, orderly institutions, and a generalized rekindling of public confidence.

From being the major disappointment of the 20th century — as a renowned European philosopher termed our country — Argentina has once again become a reservoir of spiritual and material resources that astonishes the international community. This notwithstanding, history teaches us that major changes inevitably engender feelings of loss and of fear of the unknown. Even though nobody wants to go back to that sad and backward Argentina we inherited, there are many who seem unable to find their niche in this new situation in which our country finds itself at present and which is overflowing with opportunities. This new situation demands enterprising players rather than passive spectators. It demands enterprising players in productive sectors who can take full advantage of and consolidate everything we have so far achieved thanks to everybody's effort, namely: 1. The strict maintenance of stability; 2. the control of the fiscal situation; 3. important placements of government securities; 4. the significant inflow of capital, which is reflected in the accrual of our international reserves; the appreciation of financial assets; 5. better rating by risk-assessment firms; 6. the increase in deposits in pesos; 7. the improvement in tax collection; 8. the spectacular growth of Argentine exports; 9. the integration process within Mercosur [Common Market of the South] and Argentina's alignment with the EU; 10. the recovery of the official financial portfolio, which grew from 600 million pesos to 6.1 billion pesos granted mainly to small- and medium-sized enterprises; 11. the reinstatement of long-term mortgage financing, which after 40 years of lying dormant, facilitates the public's access to purchasing their own homes; 12. the Consumer Defense Act, which is fully effective both for common property and public services; 13. the fulfillment of obligations under the WTO; 14. the enhancement of Mercosur's legal capacity and the stability of its norms; 15. the promotion of free trade areas; 16. the drafting of the first federal plan for public investments; 17. booming agricultural and fisheries production; 18. new investment in agro-industries with exports surging by more than 10 percent per annum; 19. the considerable increase in the supply of running water and water for irrigation purposes; 20. the dredging and upgrading of main navigation channels; 21. the exponential growth of the mining industry; 22. the implementation of soft loans for renewing agricultural machinery stocks. These, and scores of other realities, we have set the stage for initiating a vigorous economic takeoff.

Similarly, we must be active players, and not spectators, in the field of education. We have put together a system, which includes: 1. The full enforcement of the Federal Education Act; 2. a program for the elementary school, which promotes the organization and management of elementary education at three levels; namely, supervisory committee, school, and classroom; 3. ongoing training of teachers to familiarize them with up-to-date methods; 4. a social education plan geared to poor and needy sectors; 5. the promulgation of the Higher Education Act, which acknowledges and expressly guarantees universities' academic and institutional freedom and economic and financial autonomy; 6. the universal access of cultural expressions; 7. the education integration protocol within Mercosur signed in Asuncion, Paraguay, in July 1995.

With a view to providing more specific support to the academic reform process aimed at improving education standards, we have established — with the support of the World Bank — a fund, which in the next five years will disburse 260 million pesos for scholarships for young lecturers to do postgraduate studies, for purchasing technological equipment for universities, and for upgrading university libraries and archives.

This is the first investment program of such magnitude in more than 25 years. [applause]

In the international arena, our country continues to make strides in fighting for a place in the sun, as

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is its legitimate right, although in the past, Argentina refrained from doing so.

Argentina is now on the same wavelength as the rest of the world. We are negotiating projects that will be implemented at the hemispheric level, and since the Fifth Ibero-American Summit held in San Carlos de Bariloche, a new consensus on education as a tool for achievement of development has seen the light of day.

In what pertains to the Republic of Chile, we have settled 23 of the 24 border disputes we had. We hope to settle the only pending item — the Continental Glaciers — which involves the century-old demarcation of our border with the sister Republic of Chile.

We are facing the special case of our Malvinas Islands with the same respect for the law and the principle of peaceful settlement of international controversies. Without resting, we work on a path for the negotiated and harmonious return of that part of our fatherland the we legitimately consider ours. In pursuance of this goal we have normalized our relations with the United Kingdom and moved forward toward a cooperation agreement on oil exploration and fishing in the area. All this without abandoning our goal, to which we will never renounce [he emphasizes this], of recovering our effective sovereignty over the islands, which we will never forget. [applause]

In addition, we are proud to see that the Argentine White Helmets [organized to fight hunger and poverty throughout the world] have already become a reality acknowledged by the UN Economic and Social Council.

By means of this contribution, our homeland's presence is not only consolidated — through its military participation — in areas where peace and security are at risk, but also in those areas of the planet that are suffering the most heart-rendering privations.

Thanks to international cooperation, continuity, rationality, and predictability, Argentina is on the threshold of meeting the standards set by the Maastricht Treaty, that is, our country is about to become one of the five most advanced countries in the world.

Messrs. legislators, Messrs. special guests, Messrs. fellow citizens:

These realities, as important as they are, mark the beginning of a long path. Our country is under construction. Our country continues to ask its children to quit isolation and individualism.

We have to enthusiastically and quickly adapt ourselves to the great changes that have been taking place over the past six years. Following the government's steps, it is necessary for Argentine leaders to be there to strengthen them and develop them. We would not want to continue to open gates, which subsequently are not crossed by anyone.

It is necessary to multiply by 10 the current export boom. We have signed investment agreements with virtually all the countries of the world. We have to take advantage of our privileged situation within the third millenium's "global village" to advance one-half century within four years, thus achieving growth with justice, as our people expect and deserve. Because, frankly speaking, the times ahead are dizzying.

As a great statesman put it, we do not have to ask ourselves what our country can do for us, but what we can do for our country, without fearing innovations and without crying over fancy losses.

Our Republic requires an injection of youth, not only youth in terms of age, but that ageless youth that discovers a vocation in everyone's life and a destiny in every ideal.

With this exhortation, with this hope, I hereby inaugurate the 114th period of regular sessions of Congress.

I embrace you with my heart, and I pray to God that He will bless you.

Many, many thanks. [applause]

Argentina: State of Union Report Highlighted

PY0703012796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1618 GMT 1 Mar 96

[FBIS Translated Text] Buenos Aires, 1 Mar (NA) — The "Detailed Report on the State of the Nation," which was released today, states that "relations with the provinces were enhanced and consolidated" under the leadership of the chief of cabinet, whose action was also instrumental in resolving "200 complex and urgent issues" in the Provinces of Formosa, Santiago del Estero, Misiones, and Chubut.

In the year that has elapsed since the establishment of the Chief of Cabinet's Office pursuant to the new Constitution, this office promoted a follow-up to the overhaul of PAMI [Comprehensive Medical Assistance Plan], Anses [National Social Security Administration], and state-run medical insurance and social services, as well as monitoring small- and medium-sized enterprises, Mercosur [Common Market of the South], and credit policies.

The Chief of Cabinet's Office moreover ordered the drafting of a monthly progress report that includes a systematized follow-up to the most important aspects of main government policies on social issues, employment,

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health care, housing, social security, the tax system, and privatizations.

The Chief of Cabinet's Office also coordinated the groundwork for the privatization of 60 airports and supervised the legal consultant hired to define the regulatory framework of these privatizations.

The Chief of Cabinet's Office also looked into the economic and financial situation of ATC [Argentina Televisora Color] Network Inc. (in which the state has a majority stake) given "the most serious difficulties in meeting commercial commitments, which eventually gave rise to numerous requests that ATC Inc. file for bankruptcy."

In the "Detailed Report on the State of the Nation," the Economy Ministry notes that "the reform effected in 1991 made it possible for the Argentine economy to grow vigorously in the ensuing years and curb inflation in an environment of free market and democracy."

The Economy Ministry states that between 1989 and 1994, the Argentine GDP grew by 34.8 percent in real terms, domestic consumption rose by 39.5 percent, gross domestic investment expanded by 121.6 percent, and inflation — measured by the Consumer Price Index — was cut from 4.934 percent per annum to 3.9 percent.

This notwithstanding, the Economy Ministry makes it clear that the Mexican crisis unleashed by the devaluation of the Mexican currency on 20 December 1994, brought about "a generalized mistrust in most emerging markets, including Argentina."

One paragraph of the lengthy report points out that "despite the aforementioned good economic indicators, the international financial crisis sparked by events in Mexico adversely affected our economic growth in 1995."

Despite this, the report states that "unlike on previous occasions, the federal government maintained its economic program and deepened reforms because it was convinced that the present adjustment program was the only possible way to achieve sustainable development."

The Labor and Social Security Ministry pointed out that "several bills to effect reforms in the field of labor relations were drawn up and sent to Congress. Some of these bill were drafted within the Framework Agreement on Employment, Productivity, and Social Equity which was signed by the government, businessmen, and trade unions in July 1994."

One of the bills seeks to establish "the right of workers and trade union leaders employed by companies with a minimum of 50 employees on the payroll to receive information on collective bargaining negotiations, settlements with creditors, bankruptcies, and out-of-court settlements to prevent crises."

In the Detailed Report on the State of the Nation, the Interior Ministry emphasizes: "Within its jurisdiction, basically involving the smooth actions of the internal political government, and the validity and protection of the republican, representative, and federal system, the development and implementation of various activities during 1995 may be emphasized."

The Detailed Report emphasizes that the Interior Ministry was involved "in planning, organizing, and implementing the 14 May elections to elect authorities for the 1995-1999 presidential term."

The Foreign Relations, International Trade, and Worship Ministry emphasizes the operation of a group supporting both Argentine entrepreneurial delegations that accompany President Carlos Menem on his trips abroad, and high-ranking foreign authorities visiting our Republic. The Detailed Report adds: "This group draws up the agenda for Argentine entrepreneurs and helps their meetings with foreign counterparts."

The Detailed Report notes that, during 1995, the Foreign Ministry coordinated the participation of Argentine entrepreneurs in the following presidential visits: Davos (Helvetian Confederation); South Africa; Sao Paulo; Denver; Israel; Australia and New Zealand; Korea, China, and the Philippines; New York and Houston; and Madrid.

In the Detailed Report, the Defense Ministry points out that, together with the Armed Forces and the Security Forces, "it accompanied the Argentine Government's efforts to pursue its global policy of international integration and enhancement of the state's streamlining and modernization."

Within this context, the Defense Ministry notes: "It was not easy for the political and military institutions to adjust to the recent profound and quick changes taking place in international relations among states. Nevertheless, our Armed Forces once again showed their ability for accompanying these transformations."

The Culture and Education Ministry indicates that, during 1995, it drew up a preliminary draft of the Common Basic Contents [Contenidos Basicos Comunes] (CBC) and the Oriented Basic Contents [Contenidos Basicos Orientados] (CBO) for the multimodal level and presented it to the Federal Council for Culture and Education.

The Culture and Education Ministry adds that teams of experts from every province worked during 1995 in drawing up their draft curriculums, with the technical

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assistance of the Argentine Culture and Education Ministry.

The Health and Social Action Ministry has been involved in "fully achieving the population's right to health care and concentrated its actions on men and their families, who are the axis, goal, and subject of the proposed democratic, participative, and solidaristic health system."

The Detailed Report adds that, during 1995, the Health and Social Action Ministry faced "health care problems and other serious problems, especially involving border areas and populations with biologic, psychological, and social risks."

The Justice Ministry emphasized the activities involving "the supply of economic resources for changing residence and employment for witnesses and/or people indicted" in narcotics cases.

The Detailed Report also emphasizes the coordination of activities linked to the Justice Ministry's participation in bilateral joint commissions with Mexico, Colombia, China, Chile, and France.

Argentina: Spain's Aznar Congratulated on Election Victory

PY0403155696 Buenos Aires TELAM in Spanish 2320 GMT 3 Mar 96

[FBIS Translated Text] Anillaco, La Rioja, 3 Mar (TELAM) — Government sources report that President Carlos Menem has congratulated the newly elected head of the Spanish Government — Jose Maria Aznar of the Popular Party (PP) — on his victory at the polls today.

Menem phoned Aznar from his home town, where he spent the weekend, to convey his congratulations to Aznar's family and to the Spanish people.

The Argentine head of state telephoned Aznar at 1945 local time, just three hours after the polling stations closed in Spain. The sources added that Menem told Aznar he was at the disposal of the future Spanish prime minister in whatever he could be of assistance.

Aznar appreciated the Argentine president's gesture and committed himself to further enhance bilateral relations once he assumes office.

Menem and Aznar agreed to talk more fully in the next few days.

Argentina: Relations With Spain To Remain 'Excellent'

PY0603153296 Buenos Aires TELAM in Spanish 2140 GMT 4 Mar 96

[FBIS Translated Text] Salta, 4 Mar (TELAM) — After the victory achieved by centrist [Spanish Prime Minister-elect] Jose Maria Aznar in yesterday's elections, President Carlos Menem today emphasized here that relations with Spain will continue to be excellent.

Asked if the Argentine Government would maintain talks with Aznar at a good level, Menem emphasized: "Argentina is in an excellent position for pursuing a notable relationship with the Spanish Government."

The president chatted with journalists who were waiting for him at the 'General Mosconi' Airport near the town of Tartagal, where Menem inaugurated the 1996 academic year at noon today.

On this occasion, Menem emphasized his relationship with Aznar, pointing out that "we are friends" with Aznar, who won the elections held in Spain yesterday.

Menem noted: "I talked to him yesterday, after his victory." He added: "I also talked to my great friend Felipe Gonzalez this morning." After heading the Spanish Government for 12 years, Felipe Gonzalez was defeated in yesterday's elections.

Argentina: Economic Team Concerned Over Credit Scarcity

PY0703014596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1932 GMT 5 Mar 96

[FBIS Translated Text] Buenos Aires, 5 Mar (NA) — The rigidity of the local credit market, which continues to delay the recovery of consumption and production, was one of the main issues analyzed by Economy Minister Domingo Cavallo and his team of assistants this morning.

An Economy Ministry source who participated in the meeting said that the Economy Ministry will continue asking private banks to reduce their interest rates and speed up the granting of credit.

One of the most common complaints is that first-line banks require too much as a guarantee in order to open a line of credit. In many cases these requirements make the access of private companies and individuals to the credit market difficult.

The Economy Ministry considers that the credit scarcity is one of the main factors causing the long economic recession.

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February's deflation showed that consumption has not recovered from last year's crisis provoked by the "tequila effect."

The spokesman said that one indication of the government determination to reactivate the credit markets is the Central Bank decision yesterday to drop interest rates on deposit guarantees by half a point.

Banks, meanwhile, have asked the government to issue clear signals to the population in order to reactivate the demand for credit.

Central Bank President Roque Fernandez, Economic Programming Secretary Juan Llach, and Finance Secretary Ricardo Gutierrez, among other, participated in the meeting.

Argentina: Cavallo Travels to New York on Economic Mission

PY0603230796 Buenos Aires LA NACION in Spanish 6 Mar 96 Economic Section p 3

[FBIS Translated Text] Economy Minister Domingo Cavallo will travel to New York today. He will try to show investors and bankers the investment opportunities that, in his opinion, exist in Argentina.

Cavallo will brief investors about the placing of the Global Bond last month and will paint a general picture on the evolution of the country's economy.

The short tour was organized by the consulting firm headed by former U.S. Treasury Secretary Nicholas Brady and by Salomon Brothers, who are preparing the field for the minister's meetings with bankers and investors.

Cavallo will be back the day after tomorrow. During his visit to New York he will meet with finance and bank executives.

Cavallo will take advantage of the opportunity to give details about Argentina's economic situation this year. Sources at the Economy Ministry said that the minister will confirm official projections on growth and fiscal balance.

The economic team trusts that the GDP will grow by 5 percent this year, despite the skepticism of private institutions that forecast a continuous recession.

Recovery

The economy minister will say that Argentina will start experiencing a recovery as of the second quarter of the year and will insist that the unemployment rate will drop.

The economic team launched an offensive to prevent the generation of a negative climate caused by depressed expectations. Immediately after private entities released their forecast on a persisting recession the government distributed data on electricity, gas, and telephone consumption growths.

Cavallo will say that the VAT will remain at 21 percent despite the official promises to reduce it to 18 percent.

The minister's first meeting in New York will be with the Latin American Banking Conference. This meeting was organized by Salomon Brothers.

In the afternoon Cavallo will speak about Argentina's economic future before the Council of Foreign Relations.

With Low Profile

Cavallo will take advantage of the trip to maintain a low profile, an attitude he had to adopt since his sudden departure for France following the scandal created by the dissemination of his tax report and his accusations against entrepreneur Alfredo Yabran.

This time the minister will go to the United States with extraordinary credentials. In one week he was lauded by the French Government and U.S. Secretary of State Warren Christopher.

"The visit to New York had been previously arranged and it has nothing to do with the need to leave the center stage," the economy minister said.

Cavallo, however, will not elude one public appearance before the trip: He will speak during a seminar on Argentina that the Economist Conferences organized for today.

Argentina: Economic Upturn 'Already Taking Place'

PY0703223596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0054 GMT 7 Mar 96

[FBIS Translated Text] Buenos Aires, 6 Mar (NA) — Economy Minister Domingo Cavallo tonight emphasized that the economic upturn "is already taking place, but has still not reached durable consumer goods." He estimated that the upturn will be noticed "during the second half of the year."

Speaking to about 80 entrepreneurs who participated in a lecture sponsored by the British newspaper THE ECONOMIST at a hotel in Retiro District, Cavallo emphasized that by the end of the year the economic growth rate would "equal that of 1991 and 1994; about 7.7 percent per year." He noted that Argentina's GDP would grow by 5 percent in 1996.

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Staring at one of the sponsors of the lecture, Cavallo said: "I read the 2.2-percent growth rate estimated by The Economist Institute, and I can guarantee that they are completely mistaken; the GDP will grow by about 5 percent."

Cavallo emphasized that "a deflation" is not needed to stimulate demand and, thus, economic activity. He noted that it is only necessary "to maintain stability."

Cavallo admitted that during 1996 Argentina will have a 2.5-billion pesos fiscal deficit that will be covered with state asset sales.

Cavallo pointed out: "Those who say we cannot have a deficit under the Convertibility Program are mistaken: The Convertibility Program does not prohibit the issuance of a public debt to cover a deficit; it prohibits the issuance of unsupported money."

He announced that during 1996, "a market for Treasury bills will be created." He added: "Argentina's debt problem has been grossly exaggerated."

Cavallo also emphasized: "On fiscal issues, Argentina is on an equal footing with the most advanced countries in the world."

Cavallo announced that fiscal revenues would be increased, "not only through the economic upturn, but mainly through enhancing collection mechanisms."

He estimated that this year "the domestic savings rate will grow 20 percent as compared with the GDP," which "will be our country's reality over the next few years."

The minister played down the importance of the risk-country ratings periodically issued by international organizations, emphasizing: "They use standard methods in which there are some indicators that do not favor us."

Cavallo noted that some items "fail to faithfully reflect the reality of countries with Convertibility Programs, like Argentina and Hong Kong."

In his lecture the minister said: "The political system is gradually improving." He said he believes politicians are subject to the economic program's requirements. Cavallo emphasized: "Anyone who proposes allowing inflation to regain a foothold would lose many votes."

Brazil

Brazil: Government Against Investigative Group For Banks

PY0803020096 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Mar 96

[FBIS Translated Text] The government is trying to prevent the formation of the CPI [Congressional Investigative Committee] for banks, while the Finance Minister said the government does not feel guilty.

The Senate plenary session was apparently calm this afternoon. Everyone was thinking about the most unsettling fact of the year, namely, the creation of the CPI of banks.

Government leaders met to debate the subject. It was actually a report on a conversation that the government leader in the Senate had with President Fernando Henrique Cardoso this morning. The president said the CPI will be negative for the country.

The CPI will have 13 members, of whom the opposition may designate only four.

However, Senator Antonio Valadares, the lawmaker who asked for creation of the CPI, believes he will manage to have the CPI installed.

[Begin Senator Valadares recording] We must show the public, society, that something is being done, that the Senate is not being neglectful. [end recording]

[Begin Senator Antonio Carlos Magalhaes recording] A CPI of the type that is created in the Chamber of Deputies or in the Senate will cause the financial market to panic, and this can affect the country's credibility both at home and abroad, just now that the inflation rate is almost zero. [end recording]

Government allies have already started implementing a plan to delay, as much as possible, the installation of the CPI.

To install the CPI, parties must designate its members. If parties do not designate the members, there will be no CPI. Incidentally, this happened with other attempts, like in the case of the CPI of enterprises.

It should be noticed that the government leader in the Senate and the PMDB [Brazilian Democratic Movement Party] and PSDB [Brazilian Social Democracy Party] leaders will spend 10 days in Germany. For his part, Senate President Jose Sarney will travel to Portugal.

All this can cool down the installation of the CPI. All of them will take with them a subtle message from Planalto Palace: The CPI should not be installed.

[Begin Finance Minister Pedro Malan recording] The administration of President Fernando Henrique Cardoso has confronted — with courage, determination, and clear procedures — problems that have developed over many years and that are now being tackled, for the first time, with determination. We can explain everything. No one in the government feels guilty. [end recording]

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Brazil: Mercosur Justice Ministers To Harmonize Some Laws

PY0703003796 Sao Paulo GAZETA MERCANTIL in Portuguese 23 Feb 96 p A7

[Article by Wladimir Gramacho]

[FBIS Translated Text] Although regarded with certain skepticism, Mercosur [Common Market of the South] is making progress. So much progress has been attained in the field of trade and business transactions that the Justice Ministry has already identified some serious legal problems that could hinder the economic integration between Argentina, Brazil, Paraguay, and Uruguay, and even Chile and Bolivia who want to join in.

Almost forgotten in the last few months, the Mercosur justice ministers meeting will again be held in 1996 to untie some knots. Justice Ministry International Adviser Roberto Ardenghy reports that four protocols will be signed during the meeting.

The first two protocols will particularly benefit the judicial branch of the countries members of the Mercosur. They foresee the establishment of international jurisdiction (by which judicial decisions of one country will be valid in the others) which will "facilitate" the gathering of evidence (replacing the bureaucratic and slow letters rogatory with direct dialogue among the judges of the four countries). These first two protocols will be approved during the first half of the year.

Two more protocols will be signed by July, when Brazilian Justice Minister Nelson Jobim will preside the ministers meeting. They basically deal with social problems. One, which meets a United Nations recommendation, will allow prison inmates within Mercosur to serve their sentences near their families.

"Currently there are almost 200 Brazilian prisoners in Paraguay, 30 in Argentina, and 30 in Uruguay," said Ardenghy, who is member of the Brazilian technical group with Justice Ministry Legal Consultant Byron Costa, and Justice Secretary Sandra Valle. The three have an appointment for 12 March in Buenos Aires with their Southern Cone colleagues. It will be their first meeting of the year.

The fourth protocol on the agenda of the Brazilian group is on the trafficking of vehicles, especially on fines for Mercosur country citizens. Ardenghy said: "Such is the case of Argentines in Santa Catarina State, who sometimes commit traffic infractions and we cannot collect a fine from them. That protocol must deal with civil and indemnity responsibility toward Brazil, and vice versa."

He said there already are some agreements within Mercosur, but they are all narrow, like the precautionary measure to block the bank accounts of parents who are sentenced for not paying child support in any country of the Mercosur.

Within the whole network of legislations to be harmonized by Mercosur, perhaps the most difficult part will be to establish a common arbitration for controversies, a supranational court which is forbidden under the 1988 Constitution. The intention is to recover a constitutional amendment proposal presented by Vice President Marco Maciel, who is a former senator, which foresees a mechanism of international arbitration. Ardenghy said: "This is essential in trade disputes in a common market."

Brazil: Article Views 'Think Tank' Activities

PY0703010396 Rio de Janeiro O GLOBO in Portuguese 25 Feb 96 p 4

[Article by Marcio Moreira Alves: "Fernando Henrique Cardoso's 'Think Tank'"]

[FBIS Translated Text] An old Chilean peasant woman once told Paulo Freire [renowned Brazilian educator and social engineer] that she attended his adult literacy classes because through them she was able to see how her life was going. She said: "As I struggle to live, I have no time to see how my life is going." Government leaders face a similar problem. Absorbed by the day-to-day government decisions, they do not have the time to study long-term issues or to examine new developments in society.

This is why the Presidential Advisory Group, GAP, has been created and entrusted to sociologist Luciano Martins, a longtime friend of President Cardoso. Their friendship dates back to the time Martins and Cardoso spent in Paris, where Martins obtained his doctor's degree from the Sorbonne on the processes for making strategic decisions in the Brazilian economy. Martins set up a very small team consisting of a secretary, an errand boy, and five leading consultants, who coordinate the areas of priority interest for the president. Martins says:

— Since the creation of DASP [Administrative Department of Public Service] during the first term of the [Getulio] Vargas administration, Brazilian bureaucracy has been organized in layers.

There were groups emphasizing excellence, which engaged in formulating policies; and normal bureaucratic services, which engaged in supplying services to the people. Among the groups emphasizing excellence, we can cite DASP itself, Itamaraty, and the Bank of Brazil. These groups carefully selected their personnel, sent

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members of their staff abroad for training purposes, had access to modern administrative tools, and paid good salaries. As time went by, other groups — such as BNDES [National Bank for Economic and Social Development], IPEA [Applied Economic Research Institute], and the Central Bank [BC] — were created. Yet, these groups were gradually torn to pieces due to the neglect of the administrations, inflation, and to better opportunities offered by the private sector. A senior IPEA researcher, who made $4,000 per month in the 1970's, is today earning only $800. Consequently, the state has lost a great deal of its ability to analyze new developments and to plan its own actions.

The GAP, which seeks to fill part of the void in the government analysis structure, focuses on the study of five strategic areas and on determining new processes and trends in the economy. The first survey, which is being conducted jointly with the BNDES, seeks to identify new economic groups and to determine their scope of influence. Conglomerates with annual sales of more than $1 billion — which pass unnoticed by academicians and politicians — have emerged during the past 20 years. Most of these conglomerates have adopted extremely modern management techniques and have achieved hegemony in their respective areas. This is the case of the Brastemp group, which today has a factory in Italy and controls 25 percent of the compressor market; of Metal Leve, which set up a factory in the United States just to supply components to Caterpillar; and of the Martins group of Uberaba, the largest wholesale dealer in Brazil.

The survey seeks to determine how these conglomerates work, what growth plans they have, what technologies are they adopting, what they expect from the administration, and details of their operations. Aiming in the same direction is an ongoing survey on large multinational groups. A group of 31 megacompanies has been selected, some of which do not have major investments in Brazil. The objective is to determine why some of them have not made any investments in Brazil. The survey is primarily focused on their global strategies, their expectations, and what they expect from their Brazilian branches. Although many presidents of multinational branches in Brazil can make independent decisions, the survey is to be conducted in the country of origin, among those who decide on the global future of each company. Today, deals between branches and their respective main offices account for 30 percent of international trade.

Another area of investigation is that of the international flow of capital. The daily global movement of capital over which central banks have no control stands at $1.4 trillion. It has been estimated that the capital available on the international market amounts to more than $50 trillion, the origin of which is unknown. Some of this is the cash balance from multinational companies, some comes from pension funds, and some from underdeveloped countries. What about the unaccounted amount? How and who decides where it goes? Finally, there are two strictly domestic issues: changes in social status and the growth of associations. In the 1970's, there was a major upward move in the social status of many people as a result of the economic growth. Despite shrinking salaries, the children of those who migrated from the countryside to the cities obtained better jobs than their parents. The 1980's, "the lost decade," brought back a certain balance: there were both upward and downward movements in the social scale. For a large number their situation became worse than that of their parents. The IBGE [Brazilian Institute of Geography and Statistics] data on the subject — which includes 300,000 families surveyed at the PNAD [expansion unknown] — is behind schedule; and because the home samplings are behind schedule, the survey is also behind schedule. Finally, Brazilian society, which has been traditionally poorly organized, has experienced a major upsurge in associations in recent years. There are now 15,000 unions; associations of home owners everywhere; and NGO's have been created for nearly every imaginable cause. What effects do these movements have on people's lives?

To answer these strategic questions would already entail an accomplishment. The GAP is, however, also seeking to answer current questions such as why has the payroll of federal servants increased so much and who profited from the increase. This task will take at least the next three years of this administration.

Brazil: President Criticizes 'Patronage' Practices

PY0603235896 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Feb 96 p 2

[Article by Jailton de Carvalho]

[FBIS Translated Text] Brasilia — President Fernando Henrique Cardoso yesterday took advantage of the installation ceremony of members of the national Education Council (CNE) to send another message to politicians. This time Cardoso attacked the political patronage practiced by politicians. He said: "We must do away with political patronage which is an anachronistic practice that uses the public apparatus to its advantage rather than for the benefit of the public."

The attack against political patronage follows a series of speeches the president has delivered, condemning the lobbies and corporatism of politicians. Cardoso said that to "stop" the policy of exchange of favors,

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the government attempted to decentralize the budget allocation program as it did in field of education. He said: "We are breaking it because it breaks the power of bureaucracy and of the anachronistic sectors of Brazilian politics."

Cardoso added that he knows that every time he makes this kind of statement he receives "negative repercussions," and some people react alleging that "what the president is saying is not true." Last week during his trip to Mexico, Cardoso attacked corporatism in Congress.

Irritated with the president's statements, some congressmen have reacted. Senate President Jose Sarney (PMDB-AB) [Brazilian Democratic Movement Party-Amapa] said Cardoso should not comment on domestic affairs while traveling abroad.

This is the fourth time President Cardoso has attacked corporatism among politicians: The first time was earlier in the month in a message he sent to Congress; second, in a speech to Mexican businessmen; and third, during the Grape Festival on 23 February in Caxias do Sul, Rio Grande do Sul. In none of his speeches did the president mention politicians names.

Philosopher Arthur Gianotti, member of the CNE and a friend of President Cardoso, said the president places himself "at the center of the political spectrum," which allows him to lean either left or right, from where he can "break the bureaucracy of political patronage."

Education Minister Paulo Renato Souza introduced the CNE members to the president. Vice President Marco Maciel also attended the ceremony. The CNE will have other duties, like evaluating the teaching quality of the universities.

In criticizing the practice of political patronage and lobbying, President Fernando Henrique Cardoso is sending a message to his political allies. His objective is to discourage the demands of congressmen, governors, and mayors, before the municipal elections on 3 October. A Planalto Palace adviser said yesterday: "The president is receiving more pressure than can be imagined."

A government leader in Congress said in reference to the president's statements "The whole country will be seeking an advantage this year." Last year the federal government did not balance the public deficit and had to anticipate budget allocations to the states. The president fears this situation will worsen this year, increasing the public deficit and generating inflation beyond acceptable limits.

Beside the election year, the government must face several corporative lines of pressure from Congress over the administrative and social security reforms. Thus, the president's offensive seeks to strengthen the pro-government base in Congress before the public ready for when they have to face demonstrations organized by public employees and retired employees. "The president has sent a message to the corporations," said Sergio Machado (CE) [Ceara], leader of the Brazilian Social Democracy Party in the Senate.

The government is also concerned over other social sectors that are better organized, like the rural movements which could also take advantages from the election year. A presidential aide said: "The president is making a timely warning. 'Lobbies,' political patronage, and corporatism are the great evils of the country."

Brazil: Differences Between Sarney, Daughter Viewed

PY0603231296 Rio de Janeiro O GLOBO in Portuguese 29 Feb 96 p 3

[Article by Helena Chagas]

[FBIS Translated Text] Brasilia — The Sarney clan, who were the most united family in Brazilian politics, is breaking up. While Senate President Jose Sarney criticizes the administration, works against Cardoso's reelection, and makes problems for the approval of projects presented by the executive branch that he does not support, Maranhao Governess Roseana Sarney shows that she will not tread the path of an obedient daughter. She will seize the opportunity while dining with President Fernando Henrique Cardoso on 1 March to offer him her support for his reelection. Roseana, who dined with her father on 26 February, does not hide her dissatisfaction about Jose Sarney's decision not to receive Peruvian President Alberto Fujimori during his visit to Congress.

She told friends: "I protested the decision and was entirely against it. My father has always been a polite and tolerant person. I cannot understand why he did that."

While was watching the Brazil-Uruguay soccer match and drinking a glass of red wine at her home in Lago Sul District, Brasilia, she spoke about the strict administrative reform she has implemented in Maranhao. Jose Sarney is radically against the dismissal of public employees. His daughter, however, dismissed many public employees, including some who had been appointed by the Sarney family. The senator also had to accept a cut, from 10,000 reals to 6,000 reals, in his pension as former governor.

The governess not only reduced her father's pension, but also the pension of other former governors, among them

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Senator Edson Lobao (Liberal Front Party - Maranhao), who became irritated about the issue and complained to friends: She quarrels with her father and I suffer the consequences...

Sarney complained to his daughter: "For things less serious than that, my daughter, I have already broken up with three Maranhao governors."

Roseana Sarney makes very clear that, independent of her father's plans for 1998, she supports Cardoso's reelection. According to some friends, one of the reasons why she has been quarreling with her father is that she has already told him that, if reelection is approved, Cardoso will run and win.

She also defends the proposal for the federalization of northeast region state banks, which would merge with the Bank of the Northeast. Surprising many, Roseana Sarney has been resorting to Communications Minister Sergio Motta's help, and not her father's, to defend the interests of her state before the administration. On 5 February in Maranhao, she said from a podium at the dedication of local telephone services that she had named Motta — who is the main reelection articulator — "the Maranhao ambassador" in Brasilia.

She does not hide the fact that she supports the privatization of the Rio Doce Valley company, which Jose Sarney and former President Itamar Franco oppose. The Maranhao governess defends the idea of "a modern privatization" with the participation of the states where the company functions (Maranhao, among them), which would thus become shareholders of the company. She also supports the patent bill, which her father does not want to see approved at Congress for a long time, although it will certainly be voted on 29 February.

Despite frictions between the senator and the governess, father and daughter try to overcome their differences in lunches and dinners shared with the family. Roseana, Sarney's eldest daughter and political heiress, has explained to friends that, despite her affection for her father, she wants to prove her independence as governess.

Brazil: INPI Controversy at Registering of Patents Noted

PY0603165996 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Mar 96 Section 1 p 5

[Article by Paulo Silva Pinto in Brasilia]

[FBIS Translated Text] The National Institute of Industrial Property [INPI] has approved the temporary registering of two requests for patenting of transgenic microorganisms (which are altered in laboratories) in February. Nevertheless, congressmen and experts consulted by FOLHA DE SAO PAULO assert that the current law does not allow that.

The draft bill, which was approved on 29 February, contemplates the patenting of microorganisms. To go into force, however, this bill must be approved in the second round of voting at the Senate, pass the Chamber of Deputies, and be approved by President Fernando Henrique Cardoso.

Margarida Mittelbach, INPI director for patents, said that there is nothing irregular about the request for patenting of these microorganisms. "As the current law does not contemplate the issue, there is no prohibition," she said.

According to Mittelbach, the INPI has already granted other requests for patenting of microorganisms based on this thesis.

Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], who is rapporteur for the bill of patents at the Senate, disagrees: "If the current law does not deal with the issue, the INPI cannot arbitrate."

FOLHA DE SAO PAULO has found out that most of the lawsuits involving microorganisms have been paralyzed at the INPI, awaiting the new law that deals with the issue in a clear manner. The INPI is linked to the Industry, Commerce, and Tourism Ministry.

In the opinion of lawyer Mauro Arruda, who is an expert in the area of intellectual property, "A superficial analysis of the two cases lead to the belief that the requests for patents could not have been granted."

He bases this interpretation on Article 9 of the current Intellectual Property Code, according to which "the use of discoveries, including those related to varieties and species of microorganisms, or the way these are employed is not the object of patents."

Mittelbach, however, has another interpretation. In her opinion, what the law says is that it is not possible to patent a microorganism that is discovered in nature. This does not apply, however, to microorganisms that are created in laboratories.

The two requests that have been granted have been under analysis for the last 11 years and belong to multinational enterprises. One of them produces amylase (molecular structure that accelerates chemical reactions). It has been requested by the U.S. enterprise, CPC International Inc. The other is a bacteria that kills other baterias, and eliminates plant pests. It was requested by the firm Japan Tobacco Inc., of Japan.

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The granting of the two requests does not mean that the patent has been conceded. For a period of 60 days, the decision can be appealed.

Senator Marina Silva (PT-AC) [Workers Party-Acre] has asked INPI to clarify the issue, in writing. Even after receiving the clarification, she still believes that the requests have been irregularly granted.

Brazil: NASA General Manager Visiting Sao Jose dos Campos

PY0603201696 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Mar 96 p A24

[Article by Julio Ottoboni]

[FBIS Translated Text] Sao Jose dos Campos — Gylvan Meira Filho, president of the Brazilian Space Agency, said on 2 March that relations between the U.S. NASA and the National Institute of Space Research (INPE) will probably begin to change with the arrival, still this week, of U.S. experts who will report on figures related to deforestation of the Amazon Region. Meira Filho made these comments during the visit NASA General Manager Daniel Goldin paid to INPE.

"This represents an important step ahead in Brazilian foreign policy," Meira Filho said. In his opinion, the gesture signifies the end of the G-7 member countries' technological and scientific embargoes. The most controversial issue in the two space agencies' agenda is the analysis of deforestation figures for the Amazon Region.

This time, the INPE wants the NASA researchers' full endorsement for public dissemination of the deforestation indexes. This will be the first step toward the consolidation of a national methodology for the obtaining of this data, which were previously researched by a closed group of scientists from the G-7 countries.

For many years, the data on the Amazon Region published by the G-7 member countries was exaggerated. This made the international community doubt INPE's technical skills in the field. INPE has even been charged with manipulating the data in an attempt to play down the seriousness of the problem. Meira Filho concluded: "From now on, it will be up to the INPE to define the methodology to be used, and thus put an end to these disparities."

During his visit to INPE, Daniel Goldin confirmed that it is possible a Brazilian will be included on the team of one of the future missions of the U.S. space shuttle. He said he was very impressed with the technical level of the Brazilian scientific center and confirmed that ties binding the two institutions will be intensified, not only in the scientific field, but also in the field of space technology transfer.

Goldin said that if Brazil presents a scientific program suitable to the U.S. space missions, there are chances an INPE researcher will participate in one of the space shuttle flights. He pointed out, however, that it is fundamental that these plans be included in an important project in order to be approved by NASA. Only thus will there be concrete chances of seeing the initiative become a reality. He reasserted: "The NASA board has decided not to take astronauts out to space for mere recreation, but only as part of vital programs."

According to INPE Director General Marcio Nogueira Barbosa, Brazil will have infrared cameras for Earth obervation in two of the space shuttle flights, which are scheduled for the end of 1997 and mid-1998. In Barbosa's opinion, this is a great step forward in the attempt to obtain, in the future, a place for a Brazilian researcher among the crew of a space shuttle mission. The INPE scientists hope the idea matures and develops as time goes by while the two entities' relations in the space area become closer.

Brazil: Article Views Cardoso's 'SWAT' Team

PY0703012296 Rio de Janeiro O GLOBO in Portuguese 4 Mar 96 p 3

[Article by Denise Rothenburg]

[FBIS Translated Text] They are always at the president's disposal. There is no crisis in which at least one of them is not summoned in order to take action. They have been nicknamed Fernando Henrique Cardoso's "SWAT [Special Weapons and Tactics] force." They come and go to Planalto Palace without anyone learning about it. They never meet, particularly because — although small — the group is comprised of people who hardly greet each other. President Cardoso is the linking element, who distributes delicate political missions to each member of the group and, through the services of this shock troop, dismisses advice calling for the appointment of a political coordinator other than himself.

The elite articulator of the "FH squadron" is Vice President Marco Maciel. Chamber of Deputies President Luis Eduardo Magalhaes (PFL) [Liberal Front Party]; Communications Minister Sergio Motta; PFL President Jorge Bornhausen; former PSDB [Brazilian Social Democracy Party] President Pimenta da Veiga; Planning Minister Jose Serra; Eduardo Jorge Caldas, secretary general of the Presidency of the Republic; and Education Minister Paulo Renato Souza also comprise this squadron.

"Nowadays, this is the administration's informal political council," one of Cardoso's direct advisers revealed. He pointed out that the official council, which is comprised of the presidents of the allied parties, was dismantled in the first days of this administration.

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Vice President Maciel, who is deemed one of the elite shooters, is also the most discreet one. Last week, he looked after matters that range from the National Budget to the Nacional bank crisis. On 28 February, he held talks with President Cardoso for more than one hour. On 29 February, he spent the morning at Jaburu Palace [the vice president's residence] making phone calls. At the time, the Senate was discussing the bill of patents, the Financial Stabilization Fund, and there was a lot of excitement about a possible Congressional Investigating Committee [CPI] for the financial system. The mission Cardoso gave to the vice president on the night of 28 February was clear: to help ensuring the approval of the two projects and, at the same time, prevent the establishment of the CPI, which would create obstacles for the discussion of the reforms.

Maciel received rebellious Senator Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party - Rio Grande do Sul] for a private talk. Simon was demanding government explanations about the alleged frauds made in the Nacional bank balance sheets. He phoned Jose Fogaca (PDMB), who is also a senator for Rio Grande do Sul, in order to convince him to vote for Senator Fernando Bezerra's alternate text for the bill of patents.

Luis Eduardo Magalhaes, who decides which is the best moment for a government attack in the floor of the Chamber of Deputies, also received a mission that same day: to prepare the ground for voting on the social security area reform on 6 March. This calls for a behind the scene negotiation in order to reduce the number of parts of a rapporteur's report that are voted on separately. If there isn't an guaranteed number of congressmen to attend the session, Magalhaes will warn those present that it is better to leave the voting for another occasion.

The president of the Chamber of Deputies is also an adviser. He accepted criticism and has granted the administration providential assistance. In a session that required a certain quorum in order to vote on the report of rapporteur Euler Ribeiro (PMDB-AM) [PMDB-Amazonas], for example, he threatened to deduct a day from the salaries of the absent congressmen.

The PFL Trusted Triumvirate

Luis Eduardo Magalhaes and Maciel comprise, with Bornhausen, the PFL golden trio. They are well organized people and meet every week. "They look after the PFL and do not overlook the government," a PSDB member said.

When a problem causes a short-circuit with the PFL, as in the case of the Economico bank and of the "pink file" folder that contained documents on the bank contributions to the electoral campaign of congressmen, President Cardoso immediately resorts to Bornhausen. In the climax of the crisis, the PFL president acted as a bridge between the Bahia state congressmen and Planalto Palace. Skillful, after spending one morning at Planalto Palace and a few hours at Senator Antonio Carlos Magalhaes' office, Bornhausen prevented Magalhaes from delivering the speech against the administration, as he had promised. He is the "minesweeper" in charge of cooling off tempers. His son, Deputy Paulo Bornhausen (PFL-SC) [PFL-Santa Catarina], revealed his father's new nickname: Chinese. It will compete with the old nickname, "German," by which Bornhausen is known in the circles of power. This nickname has not become popular yet, but when he is dealing with politics, Bornhausen is really like a Chinese: He puts on the little hat and does not speak, only acts.

The same way he acts for the president, whenever Bornhausen smells danger, he also takes action against the government-supporting group if the issue under discussion can harm his party. Within the PFL, the maneuvers that prevented the administration from complying with the PSDB plans to vote on the amendment right after the carnival holidays can be mostly attributed to Bornhausen. He said that the issue should only be voted on after being endorsed by all allies and this is a practically unattainable consensus.

The PFL maneuvers hindered the mission that one PSDB member, Minister Sergio Motta, had received from the president: to test how popular the reelection amendment was at Congress, to increase the prestige of the party in order to dispute positions in the Chamber of the Deputies and the Senate committees, and to facilitate things for the administration. In Congress and at Planalto Palace, the communications minister is not seen only "as the reelection sponsor." The PSDB members bet that he is able to receive many more congressmen in a day than the PFL so-called attacker, Marco Maciel.

Planalto Palace advisers and the congressmen themselves, believe that the problem Motta has about the reelection issue derives from the fact that he has been too literal in complying with his mission. Instead of summoning each congressman for private talks, he made a tour of the leaders' offices, and the administration did not expect that. He gave the party new courage, but left the administration in an embarrassing situation for the other allies who still had not discussed the issue. Nevertheless, Motta is so important for Fernando Henrique Cardoso, that the president has already decided not to give up his adviser and so will not allow him to run for Sao Paulo mayor.

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While Motta is taking care of the reelection issue, Secretary General Eduardo Jorge Caldas is in charge of the other problem that has been drastically affecting the allied parties. Serious, known for his bad disposition, he does what the president cannot do personally: convey the administration's negative answers to those who want more and more positions. One of Eduardo Jorge Caldas' functions is to look after the lists of appointments for the so-called "low-clergy," and to make the appointments using a medicine dropper. It is clear that, as a result, he is not very popular in Congress.

Eduardo Jorge Caldas has quarreled even with the PSDB members, who are generally calmed down by the PSDB former president, Pimenta da Veiga. Relaxed, Pimenta da Veiga has been acting in the PSDB members' nest as if he were cotton in between crystals and has been preventing the most daring crystals from breaking. According to members of the PSDB, Pimenta da Veiga has the substance to become the PSDB's Bornhausen. Disliked by Motta, with whom he had a dispute when he left the Presidency of the party, Pimenta da Veiga is one of the politicians who believes that it would be more sensible to leave voting on the reelection amendment for a later moment, when the reforms have already been approved. Asked about his participation in President Fernando Henrique Cardoso's artillery group, he changed the topic: "I am not that important."

When one of the six fails in his mission, Cardoso resorts to two friends for all times: Paulo Renato and Jose Serra. No one can deny that the two function as a sort of "council for the council." When Motta goofed on the reelection issue, Serra and Paulo Renato talked to him. When Eduardo Jorge fails in the position-appointment issue, Paulo Renato calms down the deputies with visits to Congress and by receiving them at the Education Ministry. He is the team's pointer of the scale. Paulo Renato and Serra, who have been linked to the left in the past, act in a quite likeable and agreeable manner in their contacts with the opposition parties.

With a group like this one, no one has any doubt: The president does not need a political coordinator.

Brazil: Minister Urges 'Reciprocity' in Telecoms Bill

PY0803024296 Sao Paulo GAZETA MERCANTIL in Portuguese 4 Mar 96 p A10

[Article by Marco Antonio Monteiro in Rio de Janeiro]

[FBIS Translated Text] Communications Minister Sergio Motta has asserted that he is negotiating with Deputy Arolde de Oliveira (Liberal Front Party-Rio de Janeiro), rapporteur for the new draft bill on telecommunications, the possibility of including in the bill a clause in which the federal administration guarantees reciprocity to the participation of foreign capital in projects for the telecommunications area.

In Motta's opinion, this draft bill — which will allow foreign enterprises to render services in the areas of data communications, cellullar telephony, and satellites — must be approached with trade strategies. The idea, he explained, is to grant foreign capital the same reciprocity rights it has in the country of origin of the enterprises that are interested in investing in Brazil.

"We know, for example, that in the United States, foreign investors can own as much as 20 percent of a company's voting shares. In Germany and France, however, foreign investors can own zero percent of the shares," Minister Motta said. He added that if the project is approved in April, the bidding announcements for the enterprises that want to become candidates for rendering cellular telephony services on B-band, which is reserved to the private area, will be published before the end of May.

Motta, who participated in a lunch offered on 1 March at the Rio de Janeiro Commercial Association, has also announced the construction of an operations center for the Rio de Janeiro Telecommunications [Telerj] company. Telerj is a Rio de Janeiro telecommunications concessionary. The center will be built in a land lot given by the Rio de Janeiro municipality, in the Teleporto area. The center will occupy a 50,000-square-meter area and will demand a 40-million-real investment. The operations center will render maintenance services to 60,000 terminals of the Teleporto complex.

Well-humored, the minister was not irritated when journalists asked him, during the news conference he granted to the press, to comment about President Fernando Henrique Cardoso's statement that he would support Planning Minister Jose Serra's candidacy to Sao Paulo mayor.

"I was happy about Cardoso's statement. I have been Serra's close friend for many years. We are like Siamese twins. I think that Serra is more politically intense than I am. I would naturally like to become a candidate, but my profile is more that of an executive branch member than that of a member of the legislative branch. I am also convinced that Serra can be elected easily in Sao Paulo, be it for Sao Paulo mayor or governor. One way or the other, I believe there is a certain precipitation about the whole issue. The deadline for officials and congressmen who want to run in the elections to give up their positions ends on 2 July," he pointed out.

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Brazil: Cardoso 'Nudging' Sarney on Reelection Issue

PY0803024096 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 96 Section 1 p 8

[Article by Fernando Rodrigues in Brasilia]

[FBIS Translated Text] President Fernando Henrique Cardoso's nudging of [Senate President] Jose Sarney, on 4 March, had several minor reasons and a principal one. This main reason is the reelection issue.

Cardoso wants to see the reelection amendment approved. Sarney is against it. Sarney is the president of the Senate, to where the reelection amendment will be sent, sooner or later.

In the opinion of President Cardoso and his closest advisers, it would be literally "cheaper" to try to have the reelection amendment approved still this year.

As the presidential elections are still far in the future, the members of the PSDB [Brazilian Social Democracy Party] will have the time to negotiate, nowadays, more concrete and less ideological support for the idea.

The federal administration always has positions and power to hand around. This is a source of satisfaction for several deputies and senators, who might possibly vote for reelection right now.

In the opinion of the PSDB members who are closer to President Cardoso, all discussions to be held next year would thus concentrate more on future alliances to be made for reelecting the president.

This means that beginning next year, President Cardoso would have to offer positions and possibly implement a division of power for the 1998 presidential election.

The fact is, however, that without Sarney's support it is practically impossible to approve the reelection amendment this year. In 1997, however, Sarney leaves the Senate Presidency.

In private talks, Sarney makes very clear that he is against the reelection amendment. "I have always supported the thesis of longer-lasting terms in office, without reelection," he says.

When he was president, Sarney supported the idea of a six-year term. He was able to see a five-year term approved. Currently, he still supports the six-year proposal. "It suits our political culture better," he says.

In minor issues, however, President Cardoso has been whitewashing Sarney. This is what occurred in the case of the Fiscal Stabilization Fund which, although Sarney deemed it unconstitutional, was approved last week.

Sarney's worst defeat by the federal administration, however, referred to the bill of patents. Sarney insisted on further discussing the issue, which had been under debate in Congress for five years.

In an Indian wrestling round, Sarney was defeated by the senators supporting the government. The draft bill was debated, against Sarney's will, under an emergency regime and approved last week.

The president's victory regarding the patents issue may have encouraged the administration to try its luck with other issues. This may have been one of the meanings of President Cardoso's needling on 4 March.

Brazil: Cardoso 'Indirectly' Criticizes Sarney in Speech

PY0703234896 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 96 Section 1 p 8

[Article by William Franca, special correspondent to Belo Horizonte]

[FBIS Translated Text] President Fernando Henrique Cardoso indirectly criticized Congress President Jose Sarney (Brazilian Democratic Movement Party-Amapa) in a speech he delivered to 22 governors and hundreds of educators in Minas Gerais, on 4 March.

He made references to Sarney in three different occasions. In the most explicit reference, Cardoso recalled his inauguration speech, when he said that he "would not be afraid of putting his hand in hornet's nests."

Every time he referred to this sentence in other ceremonies, Cardoso said that, although he is not afraid of them, "some hornets sometimes sting him."

On 4 March, Cardoso referred to another insect. "Sometimes there are even wasps," he said, making a pause in his speech and looking at the site where representatives of the media were. Senator Jose Sarney is the author of the book "Fire Wasps."

Cardoso then added: "But we knew that it would be so and we have never allowed the fear for difficulties to limit our action."

The other reference Cardoso made to Sarney occurred right at the beginning of the speech. He said that, although it was not his style, he would pay homage to those who have contributed to improving the level of education in the country. Among them, he cited President-elect Tancredo Neves, who died in 1985.

"If he had had the chance (of being installed) he would have adopted the path that leads toward better education," Cardoso said. Sarney was vice president on

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Neves' ticket and, when he was installed, modified the president-elect's government program.

The third comment referred to economic policy. Cardoso asserted that he does not hesitate to adopt whatever measure he deems necessary to ensure the continuity of the Real Plan. At that moment, he said that never before had a president faced crises in order to ensure a continuous anti-inflation effort. He thus referred indirectly to the Cruzado Plan, which lasted only 10 months.

"After having controlled inflation, who has faced the need to implement deeper measures in order to ensure conditions that would guarantee that the future would also be more prosperous?" the president asked.

President Cardoso said that he was very proud of the fact that almost all of his direct aides were professors, "people who know about life's reality and who are aware that, in order to be able to calmly look a student in the face, one must be a decent person."

Pointing out that his administration is not the only one that "has simple and honest people" (referring to the administration of his predecessor, Itamar Franco, whom he had praised at the beginning of his speech), Cardoso said that this "is a decent administration comprised of honest people and supported by decent people."

According to the president, this characteristic "changes a great deal of things about Brazil and creates a serious country for the Brazilian people."

In his speech, Cardoso also said that in this "New Brazil" there is no place for shouts or whistling (referring to demonstrators who, outside the Minascentro auditorium, were whistling and protesting the administration's policy), and that it is not the tone of the voice but "the mind, the heart, firmness, and seriousness" that change the country.

"This is why I always instruct those who work with me: Say things, debate ideas, argue about them, struggle for them. Do not shrink back at the first shout because shouts represent no reasoning," the president said. "In our current world, one either has arguments to support ideas, or one's voice is not heard and the shouts get lost."

Cardoso said, in addition, that he cannot think only about those who parade and shout at his door. "I must think about the majority of Brazilians because any decision the administration makes will have repercussions (...). This is why decisions have to be pondered."

Brazil: Congress Decisions 'Lesson' For Government

PY0703021496 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 6 Mar 96

[Commentary by Alexandre Garcia]

[FBIS Translated Text] The government was calm and confident. It was not expecting that a CPI [Congressional Investigative Committee] would be created in the Senate, or that it would be defeated in the Chamber of Deputies.

Yet both things happened. Why?

Many explanations can be found at the Chamber of Deputies. The first one is that pro-government deputies wanted to give a reply to Planalto Palace on what they regarded as the arrogance with which the government led the process all the time.

Moreover, there was also the criticism that the president of the republic made of Congress. There were also the Nacional and Economico Bank scandals, which were debated on the floor.

We are in a year of municipal elections. The social security reform was the first constitutional amendment in which people were actually interested. Deputies were stopped on the streets by voters who were concerned about the future of the social security system.

What will the government do now? For the time being, it wants to have its original proposal voted on next week. The government will have to once again negotiate it, topic by topic.

Meanwhile, in the Senate, the government is already concerned about the creation of a CPI for looking into the financial system.

The government believes that the CPI work can influence the financial system.

Furthermore, the CPI will focus all the attention, which should concentrate on the reforms.

A government leader in Congress has just said this was only an event, and that reforms must continue.

The opposition, however, believes that today's defeats have been a lesson for the government.

Brazil: Lampreia on Cuba, Military's Antidrug Role

PY0703164196 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Mar 96

[FBIS Translated Text] Foreign Minister Luiz Felipe Lampreia has reported that President Fernando Henrique

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Cardoso is studying changes to the Armed Forces' role in drug enforcement. He also said that the government rules out the direct involvement of the Armed Forces in drug enforcement as well as in the repression of drug traffickers. According to the minister, the government wants to avoid the militarization of a problem that is typically the purview of the police.

Minister Lampreia is opposed to the U.S. trade embargo on Cuba. He said that this embargo is not good for the Cuban people or for the reestablishment of Cuban democracy. Lampreia said that the measure affects Cuba's reintegration into the system of the Americas.

Brazil: Government's 'Black Wednesday' in Congress Viewed

PY0703165196 Rio de Janeiro Rede Globo Television in Portuguese 1000 GMT 7 Mar 96

[Passages within quotation marks recorded; speakers identified by caption]

[FBIS Translated Excerpt] Yesterday was a day the administration would want to forget. It was a black Wednesday for the adminstration because it sustained a defeat in the Chamber of Deputies, which rejected a social security reform proposal submitted by Deputy Euler Ribeiro. The administration sustained another defeat in the Senate, which approved the creation of a congressional investigative committee [CPI]. The administration sought to avoid the creation of the CPI at all costs. Reporter Carlos Monforte has more:

What on 5 March emerged only as a distant possibility became an unpleasant reality on 6 March. The opposition ultimately managed to obtain the number of signatures required to create a CPI on the financial system. Tempers, of course, flared in the process, but the opposition jubilantly celebrated its victory.

Opposition senators should, however, be very grateful to pro-government senators. Of the 29 signatures needed to create the CPI, two are of the PSDB [Brazilian Social Democracy Party], two of the PFL [Liberal Front Party], and 12 of the PMDB [Brazilian Democratic Movement Party].

There is no going back now. Not even the administration believes that to stop the CPI would be a good idea at this point. It will have to accept it and move forward.

Elcio Alvares, government leader in the Senate, said: "President Fernando Henrique Cardoso has shown great calm. We would not like, however, to let political opportunists take advantage of the fact-finding efforts of the CPI; that is, to let some people use the CPI as a political instrument, especially aiming at the October election."

The administration objected to one topic of the wording of the motion to create the CPI: It restricts the CPI scope of investigation to banks that have been either intervened in or placed under a special temporary adminstration regime since 1995. Thus, the CPI may investigate the Economico and Nacional banks, but not Banerj [Rio de Janeiro State Bank] and Banespa [Sao Paulo State Bank].

Senator Jose Roberto Arruda, government deputy leader, said: "An investigation must be conducted, but it should not date back to just January 1995. If fraud had been committed, it should be investigated, irrespective of when it was committed."

After having to accept the creation of the CPI on banks, the administration sustained another defeat. The plenum of the Chamber of Deputies rejected the report on the social security reform submitted by Deputy Euler Ribeiro.

Yesterday was a glorious day for the opposition. The administration came 14 votes shy of obtaining approval of the social security reform. The 14-vote shortage made the opposition immensely happy.

Deputy Sandra Sterling, the Workers Party bloc leader, said: "The administration must understand that significant reforms like this must be debated not only within Congress, but also within society. The administration should take today's vote as a reply and a message."

Deputy Luiz Carlos Santos, government leader in the Chamber of Deputies, said: "The administration cannot give up because this vote ultimately entails a defeat for the country. The country can no longer acquiesce to a system of privileges. The system has become untenable."

Why did all this happen? We can mention several reasons. In the case of the Senate CPI, the unhappiness of many senators with the administration; in the case of the social security reform, lack of solution with regard to the retirement of deputies and senators, the precarious report of Deputy Euler Ribeiro, and the municipal election, which is a very thorny issue that is being raised now. Furthermore, the Chamber of Deputies was influenced by the mood that prevailed in the Senate following the creation of the CPI on the financial system.

Presidential spokesman Sergio Amaral has announced that those deputies who voted against the social security reform may be sorry later. Last night, the government leaders in the Chamber of Deputies took note of the pro-government lawmakers who voted for the opposition and started to discuss courses of action.

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After being taken by surprise by the outcome of the vote on the social security reform, pro-government leaders met in the office of the chamber speaker. Behind closed doors, they attempted to find an explanation for the defeat and to formulate strategies. The outcome was so unexpected that leaders and deputy leaders of pro-government blocs still do not know which course of action to take. [passage omitted]

According to a survey conducted by a government leader, deputies of pro-government blocs voted for the opposition: 40 PMDB deputies, 27 PPB [Brazilian Progressive Party] deputies, seven PFL deputies, and nine PSDB — the ruling party — deputies voted against Ribeiro's proposal.

Presidential spokesman Sergio Amaral said: "If some deputies voted against the proposal for electoral reasons, they may perhaps be sorry later because the administration will explain to voters the consequences of each of those votes."

The CPI on banks has brought uneasiness to the financial market. Stock markets and Brazilian foreign debt bonds declined and the dollar climbed yesterday. The closing dollar selling rate on the commercial and parallel markets stood at 0.98 reals. The Sao Paulo stock market closed with a 4.28 percent drop and the Rio de Janeiro stock market declined by 3.4 percent. [passage omitted]

Brazil: Strategy To Prevent Installation of CPI Designed

PY0703171296 Sao Paulo AGENCIA ESTADO in Portuguese 1351 GMT 7 Mar 96

[FBIS Translated Text] Brasilia, 7 Mar (AE) — The Congressional Investigative Committee [CPI] on the financial system has 180 days to begin working, once the petition for its creation is published in the DIARIO OFICIAL DO CONGRESSO NACIONAL, which should happen today.

The CPI may end up by not being formed if the government leaders confirm their strategy to freeze the party nominations to make up the CPI. If the CPI is not installed in six months, it will cease to exist.

In the case of the Senate, Senate President Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa] is not allowed to directly nominate the members of CPI if the party leaders do not appoint them. As president of the National Congress, Sarney would only have the power to appoint the members of the CPI in the event the leaders do not do so, in the case of joint CPI, involving the Senate and the Chamber of Deputies. But a joint CPI would still require the signature of three more senators, and the government will make every effort to prevent this from happening.

Senator Jefferson Peres (PSDB-AM) [Brazilian Social Democracy Party-Amazonas] today complained about the political use of the creation of the CPI for the financial system. He signed the petition to create the CPI because he believes it is necessary to investigate the irregularities in the system. However, he said he is now annoyed with the direction of this Senate initiative. "This CPI is being used by half a dozen people interested in blackmailing the government," he said, without quoting names.

Brazil: Cardoso Entourage For Japan Visit Announced

PY0803013396 Sao Paulo AGENCIA ESTADO in Portuguese 1530 GMT 7 Mar 96

[FBIS Translated Text] Brasilia, 7 Mar (AE) — Four ministers, two governors, and five deputies will be part of President Fernando Henrique Cardoso's delegation to Japan next week. Foreign Minister Luiz Felipe Lampreia; Industry, Commerce, and Tourism Minister Dorothea Werneck; Communications Minister Sergio Motta; and Planning Minister Jose Serra will accompany President Cardoso. Ceara Governor Tasso Jereissati and Tocantins Governor Jose Wilson Siqueira Campos will be part of the delegation, as well as Deputies Luis Gushiken (Workers Party-SP, Sao Paulo), Ushitaro Kamia (Brazilian Progressive Party-SP), Koyu Iha (Brazilian Social Democracy Party-SP), Antonio Ueno (Liberal Front Party-Parana) [Liberal Front Party-PR], and Homero Oguido (Brazilian Democratic Movement Party-PR). Also traveling with President Cardoso are Senator Fernando Bezerra, president of the National Confederation of Industry; soccer player Artur Antunes Coimbra, aka Zico; and movie- maker Tizuka Yamasaki. The list of members of President Cardoso's entourage was published in today's issue of DIARIO OFICIAL DA UNIAO.

Chile

Chile: UK Vessel Captures Fishing Boat Near South Georgia

PY0803141896 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 8 Mar 96

[Telephone report by Oscar Moyorga in Punta Arenas]

[FBIS Translated Text] The Chilean fishing vessel Antonio Lorenzo, which left the port of Punta Arenas a few days ago, has been intercepted and captured by the British patrol boat Condella for fishing illegally near the

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Malvinas Islands, specifically in the area of the South Georgia Island.

The Chilean fishing boat, which is coowned by Chilean and Spanish companies, is operating with 38 crewmen, including 31 Chileans, five Spaniards, and one Argentine. According to reports, the Antonio Lorenzo was captured for fishing in unauthorized waters, according to international agreements on the protection and preservation of Antarctic resources.

The Antonio Lorenza operates out of Punta Arenas, its base port, catching codfish. It belongs to the Concar company, whose executive directors are trying to go to the Malvinas Islands to rescue the ship and its crew. This is the second time the Antonio Lorenzo has been accused of illegal fishing around the Falkland Islands [name in English as heard].

No official report has been released from the 3d Naval Zone, except for information that the situation is being handled by the Foreign Ministry. It has also been reported that last year 10 fishing boats were caught operating illegally, catching codfish and hake. An Argentine fishing boat was also captured in the area a few days ago.

Chile: UK Commerce Minister Discusses Improving Relations

PY0703223796 Santiago EL MERCURIO in Spanish 6 Mar 96 p B20

[FBIS Translated Text] British Minister of Commerce Anthony Nelson said the United Kingdom favors greater liberalization of the EU tariff regime so as to broaden the access of Chilean agricultural products to that market.

The British minister visited Chile for two days heading a business delegation of financiers, and infrastructural and sanitation entrepreneurs. He met separately with Economy Minister Alvaro Garcia and Finance Minister Eduardo Aninat on 5 March.

During a joint news conference with Minister Aninat, Nelson stated that even though the EU has established tariff preferences for industrial products — which is unlikely to be revised before 1998 — a review of the tariff preferences on agricultural products could be proposed, and the United Kingdom would support a broader liberalization that would benefit Chilean agricultural products.

Nelson stated that the United Kingdom and Europe in general have a positive impression of the Chilean economy, and emphasized that British businessmen want to strengthen current commercial ties with Chile. Chilean exports to the United Kingdom totalled $1.076 billion in 1995, twice the amount of the previous year. Thus, the United Kingdom became Chile's main customer within the EU. Meanwhile Chile imported $247 million worth of goods from the United Kingdom in 1995, barely 1.6 percent more than in 1994.

Nelson said he discussed with Minister Aninat five areas in which the United Kingdom would like to improve relations. They are: taxes on Scotch whisky — which Nelson believes are discriminatory; an agreement to prevent double taxation; an increase of the number of British Airways London-Santiago flights; an agreement on investment promotion and protection; and better protection of intellectual property rights which would lead to more British investments in the pharmaceutical sector.

Minister Aninat explained that the basic bill on agreements on double taxation that the Chilean executive branch has submitted to Congress will pave the way for improved bilateral relations and will open up the possibility of negotiating an agreement that would benefit British and Chilean investors alike. This bill is expected to clear Congress as soon as possible. Aninat added that agreements for the promotion and protection of investments will be expedited and refined.

Aninat said that British experience with financial and banking services could be applied to Chile's infrastructure franchising program, which is open to private investors, and to the participation of private capital in electric energy generation and distribution projects like Colbun. These issues were discussed at the meeting.

Chile: Air Force Considers Purchase of F-16 Aircraft

PY0603165196 Santiago EL MERCURIO in Spanish 29 Feb 96 p C2

[FBIS Translated Text] General Fernando Rojas Vender, commander in chief of the Chilean Air Force [FACh], said yesterday that the FACh is interested in purchasing U.S. fighter planes, specifically the F-16 fighter-bombers, which could be added to its fleet by the end of this decade.

At the end of a meeting with President Frei, Gen. Rojas Vender was asked about our country's reported interest in purchasing the U.S. fighter planes. He said that although Washington has not yet opened its military aviation market to South American countries, talks are continuously held on this matter.

He then categorically denied any interest in the McDonnell-Douglas F-15 Eagle, the top U.S. aircraft (which operates only in the United States, Japan, Israel, and Saudi Arabia) because of the high cost. He said

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that the Lockheed F-16 Fighting Falcon [preceding two words in English] constitutes a good alternative, although the price is estimated at $20 million per unit.

Although Rojas Vender said that Chile does not intend to immediately purchase new fighter planes, he said that "by the year 2000 we will have to renew part of our materiel and we must always be watching the market possibilities."

In four years the FACh must decide which aircraft will replace, in its line of combat materiel, the old Cessna A-37 Dragonfly, the ground support aircraft that have logged more than 30 years of service.

Among the alternatives analyzed to date are the new Saab JAS-39 Gripen, the Mirage 2000, and the F-16.

Gen. Rojas Vender also confirmed the purchase by the FACh of a Boeing 737, which will be earmarked for transport and for a presidential use, within the framework of a program to replace the Boeing 707 planes. He explained that the possibility of purchasing one single aircraft will be considered only in 1998.

He also mentioned the arrival in May of an executive 18-passenger plane, the Gulfstream 3, the same as that assigned to U.S. General Norman Schwarzkopf during the Gulf war.

Chile: Guatemala Seeks Chile's Support at UNHRC

PY0603215896 Santiago EL MERCURIO in Spanish 6 Mar 96 p C2

[FBIS Translated Text] Gabriel Aguilera, vice minister for political affairs of the Guatemalan Foreign Ministry, has asked the Chilean Government to support Guatemala at the coming session of the UNHRC which will take place on 18 March in Geneva.

The Guatemalan official made this request during a meeting with Chilean Foreign Minister Jose Miguel Insulza on 5 March. At this meeting Aguilera briefed Insulza on the progress that Guatemala has made on human rights since Alvaro Arzu assumed the presidency after several years of authoritarian regimes.

Aguilera asked the Chilean Government to be as objective as possible, and to acknowledge the progress made on this issue when the Guatemalan case comes up for consideration at the meeting of the UNHRC. The Latin American tour of the Guatemalan official will next take him to Venezuela and Colombia.

Insulza said that so far the Chilean Government does not have a position on this issue which will be discussed soon at a meeting he will have with Foreign Ministry advisers on human rights.

Chile: Frei Approves Promotion of New Air Force Generals

PY0803020296 Santiago EL MERCURIO in Spanish 29 Feb 96 p C2

[FBIS Translated Text] President Eduardo Frei yesterday approved the proposal made by the Chilean Air Force [FACh] to modify the organization of the top institutional command, and to increase from 21 to 23 the number of generals, with the promotion of two new ones.

General Fernando Rojas Vender, the FACh commander in chief, yesterday confirmed the report — published in advance by this newspaper — after a meeting with the president, during which he also extended a special invitation to him to visit the International Aerospace Fair, FIDAE 96, which will be dedicated on 10 March.

The increase in the number of generals within the FACh was approved by Congress in January 1996, and thus only the names needed approval for the posts. These were established after a meeting of the top command on Tuesday last week.

The FACh Public Relations Department has announced that the new Air Force generals are Colonels Nelson Sanbueza Lagos, new chief of the Air Force General Garrison in Santiago; and Jorge Enberg Castro, who will become chief of the General Support Division of the FACh's Logistics Command.

The president also approved the promotion to aviation general of Air Brigade General Florencio Duble Pizarro who will remain as commander of the Logistics Command and president of FIDAE.

With these promotions, one of the FACh's institutional desires has been fulfilled: It was short of high-ranking officers to hold important posts following the designation of General Raul Tapia Esdale as the National Defense Staff Chief (a post equivalent to adviser to the defense minister), and the creation of the 5th Air Brigade in Antofagasta.

The posts of chief of the Santiago Air Garrison General and chief of the 2d Air Brigade have until now been held by one single officer. They will now be separated.

The FACh will have a high command comprising one air general, five aviation generals, and 17 air brigade generals. The Navy will have one admiral, five vice admirals, and 20 rear admirals. The Army has one captain general, seven major generals, and 37 brigade generals.

After the meeting between Gen. Rojas Vender and President Frei at La Moneda Palace, the air general

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was asked about the institutional project of creating a National Space Agency.

Rojas Vender said this project is being analyzed by the executive branch, following the report to the president on a study conducted by a special commission last year.

He said FIDAE 96 will give a thrust to the project, adding that it was also supported by organizations from several nations — among them the United States, Ukraine, and Russia.

Two days ago the FACh commander met with Daniel S. Goldin, administrator of NASA, who termed the Chilean program "very interesting," thus granting it his full support.

Chile: CTC To Set Up Data-Transmission Network

PY0603164696 Madrid EFE in Spanish 2258 GMT 1 Mar 96

[FBIS Translated Text] Santiago, 1 Mar (EFE) — The Telephone Company of Chile (CTC) announced on 1 March that by mid-1996 it will be launching a real-time data, audio, and video transmission network which will give access to national and international data bases, as well as Internet.

The Spanish Telephone Company is the majority stockholder (43 percent of the shares) of the CTC which owns 90 percent of all urban telephone lines in Chile and has a large chunk of the long distance communications market.

CTC reported that the new service, called Infovia, will be available to anyone who has a computer, a modem, and a telephone line. CTC will supply free of charge the computer program to use the new network.

"Infovia will be a fast lane of access to the Information Highway," according to the CTC communique.

The company estimates that the new data-transmission network will have 35,000 users in its first year of operation, and as many as 120,000 users by the year 2000.

The CTC communique added: "Costs are expected to go down for both the users and the suppliers. Infovia will give Chileans broad access to information services that have data bases."

Colombia

Colombia: Industrialists View Effects of Decertification

PA0803004396 Santa Fe de Bogota LA REPUBLICA in Spanish 4 Mar 96 p 2A

[FBIS Translated Text] Decertification's consequences on the Colombian economy are larger than have been reported in the past few days.

There will probably be no commercial penalties for the time being, but several aspects of the "decertification effect" will no doubt disturb the economy in 1996.

According to Alfredo Fuentes, technical coordinator of the National Business Council, aspects like economic growth, the Social Pact, and the Social Leap itself will be harmed by decertification.

The dollar exchange rate has been affected since August, when the political crisis started. From that time until now, the dollar exchange rate has remained at the upper limit of the exchange rate band.

For this reason, to preserve exchange rate stability, the Bank of the Republic has put millions of dollars in circulation. In a single day last week, the bank placed $150 million on the market.

In other words, the Bank of the Republic will have to make bigger issuances of currency in the next few days to keep the dollar at the ceiling of the band, for which there are reserves of $8.1 billion. Otherwise, the bank will simply have to modify the band.

Nevertheless, any of the two options will bring about in 1996 a devaluation higher than recorded last year, which was 18.8 percent. In January, the exchange rate's devaluation reached 20.1 percent.

Social Pact members have already warned of the danger of high devaluation, which will surely contribute to failure to fulfill the 17-percent inflation goal because import prices will be higher.

In addition, interest rates will be increaseed to prevent excessive liquidity in the market. This will surely affect the country's industrial growth because there will be no money for investments, which in turn will make the GNP stagnant.

According to Fuentes, decertification will also mean that multilateral banks will cut loans for Colombia, reducing the credits requested to carry out the Social Leap.

Regarding the certification process, Fuentes said it should be of a multilateral, rather than bilateral, nature. This is to say, it should be issued by an international organization, not a country.

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Damage to the Country

In addition, Jaime Alberto Cabal, president of the Colombian Association of Small and Medium-Sized Businesses, said that decertification is very harmful for the country because it affects the business climate. "Now that the country is regarded as an 'outcast,' investments are postponed or diverted to other countries that offer better investing terms," Cabal said.

The small- and medium-size industrial sector, PYME, would be in trouble because the preferential tariffs would be lost if commercial penalties are applied.

Another aspect that harms the sector is that there are several world institutions that support PYME's, but this support is conditioned on certification. As a result, such aid could be stopped.

According to Cabal, this is another reason for President Ernesto Samper to step down, at least temporarily, "so he can stop dragging the country along with him."

Finally, Gustavo Tobon Londono, president of the Colombian Federation of Metalworking Industries' Owners, said the measure adopted by the Clinton administration hurts the the country's image, and this will surely affect investment decisions.

Colombia: Police Heads Say U.S. Decertification 'Unfair'

PA0703145796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 Mar 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT 4 Mar 96]

[FBIS Translated Text] President Ernesto Samper and high-ranking police leaders have just ended a long meeting in which they discussed Colombia's cooperation with the United States to fight drug trafficking. National Police Director General Rosso Jose Serrano stated that within the next few days, the Colombian Government will reevaluate its cooperation with the Clinton administration. However, he gave no details regarding the role that agencies like the DEA and the CIA will play. This will be the Colombian Government's response to the White House's decision to decertify Colombia. According to the National Police, this decision was unfair.

Colombia: 'Contingency Plan' To Counter Decertification

PA0803004896 Medellin EL COLOMBIANO in Spanish 5 Mar 96 p A7

[FBIS Translated Text] Santa Fe de Bogota (Colprensa) — Following is a summary of the Contingency Plan that the government designed to counter the effects of the decertification:

1. All diplomatic channels will be used to develop an ambitious information strategy at the international level regarding the Colombian authorities' achievements in the struggle against drugs in 1995.

2. Foreign Minister Rodrigo Pardo will present Colombia's position and a report on the struggle against drug trafficking at the upcoming meeting of Central American and European foreign ministers in the city of Florence (Italy).

3. Finance Minister Guillermo Perry will meet with the financial and business community in New York to show the effects of the decertification in the Colombian economy, and to show how the economy will come out well ahead with its goals and government programs.

4. The government is willing to adopt the measures within its means to prevent damage to the country's economic situation.

5. The Foreign Ministry will respond on Friday to the Department of State report that refers to the decertification.

6. A work group coordinated by the Foreign Ministry was created, and it will be in charge of gathering all the information to analyze all cooperation programs between Colombia and the United States, to evaluate the advisability of continuing or revising them.

7. Economic resources and agreements on cooperation programs and aid for the struggle against drug trafficking will be sought through all the Colombian embassies abroad, to diversify the sources of financing and support for the struggle against drugs.

8. The Colombian Embassy in Washington will follow up the process at the U.S. Congress, which has the authority to revise President Bill Clinton's decision on countries that have been subject to a decertification.

Colombia: Minister Calls Amount of U.S. Aid 'Ridiculous'

PA0703163896 Santa Fe de Bogota EL TIEMPO in Spanish 6 Mar 96

[Received via Internet]

[FBIS Translated Text] The government described as "ridiculous" the U.S. financial assistance to the Colombia Police to fight drug trafficking and announced that the DEA cooperation will be submitted to a certification process.

Justice Minister Carlos Medellin Becerra made that statement a day after President Ernesto Samper began

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to assess the possible suspension of U.S. cooperation to fight drug trafficking and asked the police director to present a report on the current DEA cooperation and participation in narcotics operations.

Generals Rosso Jose Serrano and Luis Enrique Montenegro, National Police director and deputy director respectively, and Colonel Leonardo Gallego, National Narcotics Police director, submitted a verbal report to the president yesterday.

Medellin disclosed that "the assistance the United States provides to fight drug trafficking and the support to the National Narcotics Police Directorate totals $20 million. And let me tell you, that assistance is ridiculous. We are getting nickels and dimes."

The official said that the government supports ceasing to receive U.S. assistance, and announced that the president is prepared to forward to the National Narcotics Police the money that the United States is currently providing.

"How can it be that the United States is helping us with just $20 million to fight drug trafficking, I think we must not continue receiving that aid," Medellin noted.

Although the official affirmed that the possibility that the DEA may leave the country has not been studied, he added that the U.S. agency will get the same medicine that it gave Colombia.

"After working together and giving us such a regrettable grade, I think we have the right, the dignity, and sovereignty to assess what they are doing in Colombia," he noted.

Medellin also disclosed that the government is studying the possibility of beginning a review of the bilateral accords that govern the war on drugs.

"Somebody is making a mistake — not the Police, for sure. That is what we need to renegotiate a new agreement that reflects clear rules," he remarked.

Anti-Narcotics Base

In addition, Col. Gallego said that the main objectives of the Narcotics Police are to seize precursor chemicals and accelerate the eradication of drug crops.

"We have an organization chart of narcotics missions for 1996 and we will strive to implement it fully. What is more, this week we completed the eradication of poppy corps planted in the Perija Mountain Range," he said.

The officer also disclosed that an anti-narcotics base was inaugurated in Providencia a few days ago to control the flow of drugs that, according to intelligence reports, has increased in the island.

Colombia: Lawmaker Says U.S. Must Reexamine Certification

PA0603201496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Mar 96

[Report by Carlos Catano y Duran; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Bolivar Congressman Alfonso Lopez Cosio, member of Liberal Party's Central Commission, considered Jose Santacruz's death by Colombian authorities as the ratification of their unyielding fight to eradicate drug cartels. According to this political leader, this attitude does not only deserve U.S. certification, but it also deserves worldwide recognition.

[Begin Lopez Cosio recording] [Words indistinct] that the United States should make an examination from a different standpoint, because the Colombian people need and deserve U.S. certification more than any other country in the world. [end recording]

Colombia: Justice Minister, U.S. Envoy Discuss Aid

PA0703142496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 7 Mar 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Caracol Radio was able to learn the contents of a two-hour meeting held yesterday between Justice Minister Carlos Eduardo Medellin Becerra and U.S. Ambassador to Colombia Myles Frechette. Since last Friday afternoon, the ambassador had asked Carlos Medellin for an appointment. The latter told the envoy the only time he could meet with him was yesterday morning. The ambassador told Medellin it was urgent but the Colombian official was unmoved. The meeting was tense and lasted two hours. They talked with total frankness, as is the custom of Ambassador Frechette and also in line with the direct, frank, and open style of Carlos Medellin.

Frechette told Medellin that decertification did not entail a suspension of humanitarian assistance or a cut in the aid to fight drug trafficking, a figure estimated close to $80 million in 1996. The minister told the U.S. ambassador to keep in mind that the Colombian Government practically received nothing in hard cash, since U.S. assistance — and it is important to know this — is received in kind, that is, in the form of gasoline, to pay for the Hawk airplanes that fly from the United States to conduct reconnaissance missions, and quote, espionage, unquote, missions, on the things taking place in our territory connected with poppy and coca plantations and everything related to drug trafficking in general.

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Here is an unbelievable detail that Caracol Radio has confirmed from official sources. For instance, every time Colonel Leonardo Gallego, National Narcotics Police director has to submit a series of invoices for services rendered by his institution he has to take them in person to the DEA. There he has to account for each of the items contained in the invoices. All these documents are forwarded to Mexico, where they get the okay, and it is only after a few days or weeks that the reimbursement comes. In other words, the government does not get hard cash, since everything else is spent in paying for the upkeep of the radars.

That is why Medellin emphasized to Ambassador Frechette that if the United States had changed the terms of its relations with Colombia, Colombia was entitled to assess the terms of the U.S. assistance. The ambassador then warned Carlos Medellin: Well, if you do not want U.S. assistance, you will not have it. We are going to take it away and transfer those $80 million to Peru. The Minister replied: If you want that, go ahead, because we are going to compensate the aid that you are giving us with resources that the United Kingdom, France, and Japan have already offered us. The Colombian senior official said: Let us do something different. Now that General Barry McCaffrey has taken over as new drug czar and has asked for an additional budget of $800 million to fight drug trafficking, and since Colombia is the country with which you are the most at odds with over this matter, why not earmark $200 million out of those $800 million to our country.

The ambassador considered this could be very well studied and promised to be an ally of Colombia in that official request. Minister Medellin also told the ambassador that the U.S. aid that was going to be cut or that is being offered under conditions that — according to the sources queried by Caracol — are unacceptable to the government could very well be compensated with the money that Colombia is currently demanding from the U.S. Government from the funds seized and confiscated from Colombian-born drug barons. Close to $100 to $200 million of that sum that is currently in U.S. coffers belong to our country. Medellin told Frechette that if that money — which lawyers hired by our Ambassador in Washington Carlos Lleras de la Fuente are currently seeking — was given to the Colombian Government, it would be used in full to strengthen the government's war on drug trafficking. The meeting ended in cordial terms but it was a frank meeting were no bars were held.

Colombia: Minister Says Expulsion of CIA Not 'Priority'

PA0703145396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1310 GMT 7 Mar 96

[Report by Guillermo Rodriguez; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Colombia's foreign minister said it is not a priority of the Colombian Government to expel CIA or DEA agents. There are about 45 to 50 agents cooperating with our country; they are not free agents. They continually present reports to the Colombian government about activities carried out by Colombian units under the advice of these specialists.

Foreign Minister Rodrigo Pardo told the Caracol network moments ago that Colombia's priority is to find ways to improve its credibility in the international arena, not to expel members of foreign security corps that are under the protection of our state:

[Begin Pardo recording] We are reviewing the advisability of various programs we have with the United States [words indistinct] permanence of all programs. [end recording]

One such program is the aerial spraying of poppy and coca plantations, because this entails a great social and ecological cost to the country. If viable for the country, it will be continued; if not, it will be eliminated.

Colombia: Justice Minister Says U.S. Aid 'Ridiculous'

PA0803043996 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 8 Mar 96

[From the "Seven O'Clock Newscast"; monitored from a restransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 8 March]

[FBIS Translated Text] In Santa Fe de Bogota, Justice Minister Carlos Medellin continued speaking strongly about the issue of the assistance Colombia receives from the United States.

According to the justice minister, his description of the assistance received by Colombia from the United States as ridiculous originated from the principle of dignity.

[Begin Medellin recording] As Colombians, we have the self-respect to speak loudly and to have the name of Colombia and the work we are doing respected. [end recording]

To Carlos Medellin, no foreign assistance to combat drug trafficking can justify intervention by the donor country in Colombia's domestic affairs.

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[Begin recording] [Medellin] If any country comes here to tell the minister that they are going to grant us funds to be used in the struggle against drug trafficking and after 10 months they are going to evaluate and review us, we would prefer not to receive any aid.

[Unidentified reporter] If U.S. assistance was so ridiculous as you describe it, why was this not said before and why did we wait until after the decertification?

[Medellin] Because we were receiving that assistance willingly. The only thing we felt was gratitude. Of course, it was and is insufficient funds. Now, if we are not receiving sufficient funds and still have to undergo criticism about our not cooperating in the struggle against drug trafficking, then the most logical thing to do is to reconsider the aid we are receiving, which is ridiculously low and insignificant. [end recording]

Colombia: Senator Burns U.S. Flag During Plenary Debate

PA0803041996 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 8 Mar 96

[Report by Orlando Gutierrez; from the "Seven O'Clock Newscast"; monitored from a retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 8 March]

[FBIS Translated Text] Suddenly, the situation turned quite hot in Colombia against the United States, and in the United States against Colombia.

To start, the Senate plenary debate ended this afternoon in an uproar when a senator attempted to burn the U.S. flag.

The U.S. decertification against Colombia has already started to cause worse problems. The first and most severe took place tonight at Congress when a MOIR [Revolutionary Independent Worker Movement] senator attempted to burn a U.S. flag.

[Begin MOIR Senator Jorge Santos Nunez recording] I will thus proceed with the burning of the U.S. flag. [end recording]

The controversy erupted when Senator Jorge Santos Nunez, after a short speech against the United States, tried to burn a U.S. flag in the Senate session hall. However, his colleague, Alfonso Angarita, prevented him from proceeding with the flag burning.

Amid rejection from the majority of the senators present, Senator Santos Nunez then went up to the second floor of the Senate building, where his followers were gathered waiting for him.

Once there, he was able to accomplish his objective: to burn the U.S. flag, and immediately chaos broke out.

[Begin recording] [Santos Nunez supporters] Gringos, out of Colombia. Gringos, out of Colombia. Gringos, out of Colombia.

[Unidentified senator] Hey, no pushing. Hey, no pushing. [end recording]

The senator and his followers were not the only ones ejected by force from the Senate hall; journalists present also went through the same ordeal.

[Begin recording] [Unidentified journalists] Hey, hey, take it easy. That is enough. We are the press. We are working.

[Unidentified journalist] We are not to blame for what is taking place. [end recording]

Colombia: Businessmen Threaten Strike Against Samper

PA0803041596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 8 Mar 96

[Report by anchors Maria Cristina Uribe and Jorge Alfredo Vargas, and reporter Amilkar Hernandez in Santa Fe de Bogota from the "Seven O'Clock Newscast;" monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 8 March]

[FBIS Translated Text] [Uribe] The political crisis has worsened things for the businessmen. The outlook has become increasingly gloomier, and the demands for President Ernesto Samper's temporary separation are now compounded by the threats of a business strike.

[Hernandez] Relations between the government and businessmen are about to come to a standstill. Issues discussed by directorate boards no longer involve balance sheets or profits, only President Ernesto Samper's separation — and now the possibility of a business strike. There are two well-defined sides in the economic sector. One, the minority, supports the government's economic actions. It is represented by industrialists Fabio Echeverri Correa and Augusto Lopez Valencia, among others. The other side, the majority, is also divided. On the one hand, businessmen like German Holguin in Valle del Cauca are strongly proposing the strike. On the other hand, 15 economic organizations are insisting on the head of state's temporary separation.

[Sabas Pretelt, National Federation of Businessmen] [Begin recording] The president must defend himself and, as long as the trial lasts, it is better for a temporary separation to occur.

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[Hernan Puyo, National Association of Industrialists] The current process must be completely honest. [end recording]

[Hernandez] The organizations have not considered the possibility of a business strike, but they are loudly demanding governability. The political crisis has been compounded by the decertification, which is another headache. The government says its effects are not so critical, but the business groups think differently.

[Juan M. Ospina, Association of Colombian Farmers] [Begin recording] It is not catastrophic, but it is not something that should be taken lightly either, as some government officials have unfortunately tried to do in their latest statements.

[Ricardo Villaveces, Association of Colombian Sugarcane Growers] Unfortunately, the country is now in a group of what we could call the undesirables, meaning we are in the company of Syria, Burma, Nigeria. This will prove costly. [end recording]

[Vargas] Interior Minister Horacio Serpa immediately replied to the businessmen. He said he does not share their views, but he respects them, even though he believes that there is a lot of politics involved in them.

[Serpa] [Begin recording] This is a President Samper-led government that is concerned about the nation and the businessmen's fate. All kinds of investment opportunities are being offered.

[Reporter] Do they care more about money or the homeland?

[Serpa] Well, I do not know. I hope they care more about the homeland. [end recording]

Colombia: Editorial on Circumstances of Certification

PA0703124896 Santa Fe de Bogota EL ESPECTADOR in Spanish 3 Mar 96 p 2A

[Editorial: "Consequences of Irresponsibility"]

[FBIS Translated Text] The outcome of the decertification is not a fatal outcome, but a sad and shameful one, not because of what could emanate from this negative action, but because of the circumstances that surrounded it and the little dignity our rulers have shown.

Colombia's prestige has been trampled upon as part of a deliberate submission to the arrogance of the U.S. unipolar power. This degrading event was attended from the beginning by the president of the Republic; his ministers; the prosecutor general; the chief of police; and, more recently, the representatives of the business associations, and let us not fail to take into account our ambassador to Washington's promise of making the right choice. So, it would be rather strange that now that the lighting has struck our heads, they would intend to become spokesmen of the Republic's dignity and the national interests that were trampled on in front of their yielding presence.

We would have to probe much deeper and determine, within the crisis Colombia is experiencing, how much must be collected from our political class mainly represented in Congress and a significant number of its members. The country's biggest problem does not depend mainly on the predictable outcome of the decertification and on the tarnishing events that led us there.

The crisis is much deeper, and it even goes beyond public disorder, the rise of our unpredictable economic situation, the social contradictions, drug trafficking, and the armed rebels, because precisely all these afflictions stem from the proven inability of our political class to accept the historical responsibility that corresponds to it. And to this we would have to add, as an explosive cause of its lack of action, the moral corruption that is invading it.

The democratic system has been mystified before us; it has been tamper with by forces alien to its normal development. It has been adulterated by the vices typical of its improper handling, and as a consequence, of the mechanisms devised for its defense, which were made unusable by the disturbing actions of political agents that have been usurping their positions for a long time..

In this regard, the demanding political responsibility does not stop only on the current government, which is deeply liable for the causes of the disaster; it goes beyond it. The truth is that the previous government could not be exonerated from the current structural crisis both because of the economic handling imposed on the country and because of the indulgence and the inconsistency with which drug trafficking was treated. Even Medellin was pleased with the imposition of the so-called policy to surrender to justice, the precipitated ruin of which ended in the shocking escape from *La Catedral*.

Let it not be intended to cleverly assume the defense of national interests by adopting *ex post facto* a supposed belligerent attitude to face the United States and its threatening power. Those who surrendered, in spite of national dignity to all its pressures, perhaps because they feared the ongoing investigations, lack the moral attributes to be the spokesmen for Colombians, and they could in no way light the bonfire of a fake nationalism in an effort to attempt to save their questioned reputations.

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Let alone could the U.S. Government or its spokesmen in Congress point to us, as it starts being noticed, from Washington the human archetypes whom we must trust once we put our faith in the metropolitan interest of the large power.

Let the alleged heirs of the disaster, who are climbing the path to succession not make any more demands, favoring their own personal appetites and advocating a reconsideration on the measure already taken, because this attitude also fails to be compatible with national dignity.

Let us, Colombians, think seriously about taking control of our own destiny, and let us search through democratic means, which they themselves have proposed, the solution to our crisis, forgetting the authorities' villainous deeds.

Colombia: Editorial on 'Harsh Brunt' of Decertification

96SM0134A Santa Fe de Bogota EL TIEMPO in Spanish 3 Mar 96

[EL TIEMPO editorial]

[FBIS Translated Text] It was painful. The blow dealt to Colombians by the U.S. Government was painful both morally and psychologically, as well as economically. We all felt the harsh brunt of a punishment that we deem undeserved, and of an interference impossible to avoid, because international intents have very clear signs, and when arrogance appears with physical support, there is no one who can counteract it. The act exists per se, and is difficult to avoid. The decertification was a blow to the Colombian people, creating unpredictable situations that require a reaffirmation of national sentiments which, staying with normal limits, and without excesses, should give the country a renewed impulse of Colombian-oriented faith—in no way aimed at fostering a hostile attitude toward the United States. It should also reaffirm the need for opening new fronts for commercial exchanges with Europe and Asia, without succumbing to the folly of believing that we can dispense with a necessary collaboration with the Colossus of the North.

We were not expecting such a strong reaction. And we heard from Mr. Gelbard, whom we believe to be the author of the decertification, words that would have caused laughter if the tragic occasion were not more conducive to tears. During a press interview, when a reporter asked him whether "the American position is not an interference," he replied: "And isn't it an interference on Colombia's part when it sends us cocaine?" The exchange with the press ended there, because the comment was as categorical as it was erroneous and impolitic.

We Colombians are facing the reality. With but few exceptions, the prominent political and economic figures are offering the government their support, and mention is being made of the need for maintaining a lofty calmness and a dignified stance, but realizing what could happen, particularly in the economic sphere.

President Samper has been romantically reinforced as a David fighting against Goliath, upon being judged so harshly and directly by the United States Government. In such situations, believing that everything is permanent only leads to mistakes. But we are certain that the presidential image will be reinforced for a time, because what could have created a vacuum for him has given him a firm ground. Nationalist and chauvinistic sentiments are like that. Those now calling for the president's head as the easiest solution should not make a mistake.

If Samper were to break the pace of the constitutional investigation with the absolutely free atmosphere prevailing around him, the Americans could consider themselves the masters (which they might be, but not so absolutely) of Colombia's future in all respects. We do not think that the international solidarity will be expressed in anything more than an almost silent tone. It is then that we miss (who would believe it?) the end of the communist empire. We used to play cat and mouse with it, and the fox residing in the north sometimes felt a certain fear. But nowadays, the North American empire is the only one, like a giant white bear standing on top of the iceberg, closely watching where the seal appears.

There is blame for everyone in this tragedy. The impact of the debate on case 8000 most certainly tainted, and had an influence (we virtually have proof of it) on those responsible for keeping the United States informed. The stamp of the president's guilt was affixed to convince the U.S. official media that Samper's downfall would be received with jubilation by many political groups and representatives with future aspirations. They made a mistake when, upon adopting the measure, it escaped their hands, and what they were seeking most, to strike at Samper, turned into a real "slap in the face" against the vast majority of the Colombian people.

This impression was palpable within a few hours after the news became known. It was no longer the reaction of Colombia's upper political and economic class, but rather the rage (because it was genuine rage) reflected in classes of far lower political and social standing. Among them, the insult wounded symbols and fibers that many (including the one writing these lines) believed to have disappeared and become concealed under a mere material mask. The president's speech seeks an openness that is possible but not easy. What remains,

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and is fundamentally important, is our attainment of national unity, continuing the case that has been initiated against the president, and accelerating it in the most practical manner possible.

Now, more than ever, the country needs an explanation of the decisions made in favor or against the president by those who have been designated by the Constitution. It is incumbent on them to speed up the procedures, and to ensure that the formalities take their course with the least possible obstacles. All of this, with a unanimous support, not exactly for the president, but for the government, can create a propitious environment for giving case 8000 a rich or poor man's burial.

Colombia: Commentary on Samper Need for Certification

PA0603204896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Mar 96

[Commentary by Jose Pardo; from the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Excerpt] Had drug cartel leader Jose Santacruz Londono been captured and killed before last Wednesday, Samper's government would have probably obtained President Clinton's certification. Certainly, this was the reason why the Search Bloc had stepped up its operations over the past fifteen days to capture Santacruz before the United States made its decision. A few weeks ago, the police had confirmed that Santacruz was in Medellin, but it was unable to locate him. Samper needed one more week before Washington would make its decision, and perhaps the U.S. decertification would not have been so harsh. [passage omitted]

Colombia: Cali Police Leader on Recapture of Santacruz

PA0603181896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Mar 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Colonel Benjamin Nunez, commander of the Search Bloc of the Cali Police, said that the intelligence work done in Cali was crucial to determine the whereabouts of Jose Santacruz Londono in Medellin and to eliminate him:

[Begin recording] [Nunez] This is a very positive and rewarding experience for the Search Bloc, because it reflects coordination between the director general and deputy director general of the National Police and all commands.

Their policy has always been to keep us advised and to foster positive thinking among us, to ensure we truly work for this country that needs us so much, and to work for the National Police to which we are dutybound.

[Unidentified reporter] Colonel, what important contributions were made by the group under your leadership, the Search Bloc, to carry out this follow up work and find Jose Santacruz Londono in Medellin?

[Nunez] You know that we, the Search Bloc, have direct responsibility, and thus, from the very start we have made [words indistinct]. We exchange information with Santa Fe de Bogota. This is a two-way street. [end recording]

Colombia: Counternarcotics Director Reveals 1996 Goals

PA0503212496 Santa Fe de Bogota EL TIEMPO in Spanish 3 Mar 96

[Received via Internet]

[FBIS Translated Text] In late January, Colonel Leonardo Gallego, director of the Counternarcotics Police, revealed the goals of the antidrug struggle for 1996:

After analyzing the results of the general plan for the eradication of illegal crops in 1995, the Counternarcotics Police established the goal of eradicating 35,000 of the about 37,000 existing hectares of illegal crops.

The police annual plan also includes the seizure of 50 tons of cocaine, detection and dismantling of 600 narcolaboratories, and seizure of 3,500 tons of solid inputs and 1.5 million gallons of liquids.

The Counternarcotics Police will also seek to capture 3,000 drug traffickers, seize 100 aircraft, immobilize 500 vehicles, seize 600 weapons, and destroy 200 clandestine air strips.

Colombia: Murderers of U.S. Missionaries Said Identified

PA0703142596 Santa Fe de Bogota EL TIEMPO in Spanish 4 Mar 96

[Received via Internet]

[FBIS Translated Text] Three FARC [Revolutionary Armed Forces of Colombia] Fronts will have to respond kidnapping and murder charges of two U.S. missionaries. In addition, FARC militiamen have been charged as the perpetrators of the killing of 11 plantation workers.

The Prosecutor General's Office believes it has fully identified the perpetrators and masterminds of the kidnapping and murder of two U.S. missionaries and the massacre of 11 banana plantation workers in Uraba.

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The Prosecutor General's Office yesterday issued 10 arrest warrants against members of the FARC's Bolivarian militia and three FARC fronts for these two incidents.

This is the first time the FARC will have to respond for one of the most despicable crimes nationally and internationally: the kidnapping and homicide of foreign missionaries in Colombia.

The Prosecutor General's Office has identified and issued the first five arrest warrants against members of three FARC fronts who allegedly kidnapped and murdered preachers Stephen Everett Welsh and Timothy Van Dyke.

According to the investigations, those kidnapped were in the custody of a group of guerrillas from the 53d FARC Front, led by a man nicknamed "Romana," under the orders of "El Mono Jojoy."

The missionaries were members of the New Tribes Association, a multinational organization devoted to teaching the Catholic religion to indigenous Latin American tribes.

Welsh arrived in Colombia in 1981 and Van Dyke was a professor who arrived in 1989.

According to the investigations, 20 men carrying weapons and dressed in military clothes were responsible for the kidnapping; they arrived at La Esperanza farm, on the San Jose trail, 45 minutes from Villavicencio. The farm served as school for the children of the community missionaries.

Eyewitnesses said residents were gathered in a soccer field, where the guerrillas told them they belonged to the FARC's 53d Jose Antonio Anzoategui Front, adding they wanted to pressure the government to get the U.S. troops who were in Juanchaco (Valle Department) to leave.

The guerrillas left a letter saying this was a kidnapping and the basic objective was to get money.

Seventeen months after the kidnapping, the Army found the bodies of the U.S. missionaries at the Los Farallones high barren plateau, near Medina, in the Cundinamarca-Meta border, after a clash with guerrillas led by "El Mono Jojoy."

Apparently the insurgents killed the missionaries when military troops cornered them.

Massacre in Carepa

Regarding the massacre in Carepa, the Prosecutor General's Office said the Human Rights Unit has identified, in less than 15 days, those who killed the 11 workers and who are supporters of the Hope, Peace, and Liberty Movement.

Yesterday, the Prosecutor General's Office issued arrest warrants against five members of the FARC's Bolivarian Militias and charged them as perpetrators of this multiple killing, which took place when these workers were on their way to work at the Osaka farm in Carepa.

The Prosecutor General's Office would not disclose the identity of the alleged perpetrators of this killing until their legal status is established.

As part of this criminal investigation, the Prosecutor General's Office has arrested two members of the FARC's Bolivar Militias and has linked them, through interrogation, to this case.

A spokesman for the Prosecutor General's Office said the arrest warrants were issued in a legal attempt against the FARC to solve crimes as soon as possible.

Thirty-three banana workers survived this massacre, which was allegedly committed by the FARC's 5th Front.

The Army said this multiple killing was the result of the FARC's retaliation for the arrest of 38 militia and guerrilla members throughout this year.

Colombia: Traffic Near Venezuelan Border Obstructed

PA0603181796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Mar 96

[Report by Antonio Colmenares and Nereida Matera; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] [Colmenares] In Cucuta, retirees of the regional Armed Forces and National Police have closed the border at the highways connecting Norte de Santander Department with San Antonio in Tachira State and Urena in Venezuela. Deputy Police Commander Colonel Abdon Aldana confirms this.

[Begin Aldana recording] Right now, retirees of the military forces and the National Police are obstructing normal vehicle traffic through this sector. They are protesting because they have not been paid.

[?Matera] How long will they be...? [station break] [end recording]

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Colombia: Botero on Use of U.S.-Managed Campaign Funds

PA0703171896 Santa Fe de Bogota EL TIEMPO in Spanish 6 Mar 96

[Received via Internet]

[FBIS Translated Text] [Former Defense Minister Fernando] Botero has said that accounts abroad were used to circumvent electoral spending ceilings and to channel campaign contributions into dollars.

After Botero's lawyer Fernando Londono revealed on 5 March the existence of accounts managed by Botero in the United States to channel funds to the campaign, one of the alleged donating companies denied having made a contribution to the presidential campaign.

The National Coffee Growers Federation stated in a communique that it made no disbursement in foreign currency to the campaign. The federation's general accountant, Luz Faryn Vega, noted that "a review of the federation's accounting books reflects no transfer in foreign currency to a bank account abroad belonging to Fernando Botero for any reason in 1994."

Botero's documents, however, indicate that the federation donated $100,000 through current Communications Minister Juan Manuel Turbay.

As for the $1.7 million transferred to those accounts by the Santo Domingo Group through the Overseas Trading Company, EL TIEMPO contacted Bavaria Company President Augusto Lopez, but he abstained from commenting.

Carlos Quintero, vice president for finance at Bavaria however, pointed out that "the group is not a stockholder of the Overseas Trading Company although we have commercial ties with it. This is a company of Panamanian origin that we asked to contribute funds to the 'Samper for President' campaign in 1994."

The "Samper for President" campaign maintained three bank accounts to channel contributions in dollars from the country's economic groups. Former campaign director general Fernando Botero Zea managed them.

The first one was opened by the former minister in 1983 [year as received], while studying at Harvard University, under the code "Tucurinca" and account number 616-09-915 at the Morgan Guaranty Trust Company.

Botero opened the second checking account in 1993 under the code "Fondo Externo 94" and account number 630-00098485 at the Bank of New York. The last one was opened — at Barclays Bank of the United Kingdom — in 1990 [year as received] under the code "La Resolana" and account number 128-71645-2.

Botero said that he managed these accounts not only due to the need to channel dollar donations to the presidential campaign from economic groups, but also to flout the electoral ceiling established by the National Electoral Council that had already been surpassed during the first round.

According to the former minister, campaign leaders proposed using the accounts abroad at a meeting held days after the first presidential round.

The three aforementioned accounts received $1.7 million from the Overseas Trading Company owned by the Santo Domingo Group, $100,000 from the National Coffee Growers Federation, and $50,000 from the Mitsui multinational firm.

The former defense minister noted that he and Samper negotiated the donation from the Santo Domingo Group while Samper directly negotiated the one from Mitsui.

Once the funds entered the three accounts managed by Botero ($1.85 million), bonds were acquired at the Bank of Colombia to convert the dollars in Colombian pesos. Once the funds were in pesos, cashiers' checks were issued to campaign officials who cashed them to pay previously-acquired campaign debts.

The money kept in accounts abroad that Botero facilitated to the campaign was used to pay the bills presented by Gringo advisers headed by Peter Hart. From them, about 800 million pesos in cash was drawn for regional treasurers and to pay for "general expenditures" of the Samper campaign.

Colombia: Clash of Prosecutor, Attorney General Worsens

PA0503130496 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 1 Mar 96

[From the "Seven O'Clock Newscast"; monitored from a retransmission by Lima Sistema Unido de Retransmision at 0100 GMT on 1 March]

[FBIS Translated Text] The temperature in the confrontation between the Prosecutor General's Office and Attorney General's Office continues to rise. To the report of fake witnesses by the attorney general, he responded by opening an investigation on the director of the Technical Investigation Group of the Prosecutor General's Office [CTI].

[Unidentified reporter] The latest conflict between the two institutions started when CTI Director Hernan Jimenez found the witnesses who, according to the attorney general, had accused Prosecutor General Alfonso

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Valdivieso of unduly signing contracts when he was the education minister.

[Begin Jimenez recording] That person has said — I even believe he already testified before the Supreme Court of Justice — that he never denounced the prosecutor general. [end recording]

[Reporter] Coincidentally, when the news of the false report was known, Attorney General Orlando Vasquez pointed out that the Attorney General's Office had taken a disciplinary action against Jimenez. He was the only one whom the Attorney General's Office had investigated.

First, there is an investigation on Assistant Prosecutor General Adolfo Salamanca; then there is an investigation on the prosecutor general, then on prosecutor's offices director, and now on CTI Director Jimenez. So to speak, to each investigation by the Prosecutor General's Office against the Attorney General's Office, the latter responds with another investigation on the former.

Ecuador

Ecuador: Leoro Says Bilateral Issues Not on Andean Agenda

PY0803011396 Quito Voz de Los Andes in Spanish 2300 GMT 7 Mar 96

[FBIS Translated Text] Before leaving for Lima, Ecuadoran Foreign Minister Galo Leoro Franco insisted that President Sixto Duran-Ballen is always willing to hold any type of talks with his Peruvian counterpart, Alberto Fujimori.

Duran-Ballen is always very willing to hold any type of talks if they will mean a new rapprochement between the two countries, Galo Leoro said.

The Ecuadoran foreign minister travelled to Lima today to participate, together with his counterparts of the Andean Pact, that comprises Peru, Colombia, Venezuela, Bolivia, and Ecuador, in the preliminary meetings of the Andean Summit to be held next weekend.

The Ecuadoran minister travelled at noon today from the Mariscal Sucre airport, in Quito, on board a commercial flight to Lima.

Despite Duran-Ballen's willingness to talk, Leoro pointed out that the Andean Summit is a multilateral meeting during which bilateral issues will not be discussed.

He also recalled that representatives of the guarantor countries must be present at any meeting during which the Ecuadoran-Peruvian border dispute is assessed.

Ecuador: VP Hopefuls Want Firm Negotiations With Peru

PY0703204296 Quito Voz de Los Andes in Spanish 1700 GMT 7 Mar 96

[FBIS Translated Excerpt] Ecuador and Peru have taken a number of steps to fully solve the great border conflict that affects relations between the two nations. The entire country has great expectations over the results of these talks.

The Ecuadoran president leaves for Peru tomorrow, and the people expect open dialogue between the Peruvian and Ecuadoran presidents.

Ramiro Larrea, candidate for vice president and running mate of presidential candidate Rodrigo Paz, said Ecuador and Peru are expressing the best wishes to reach a definitive agreement on the border conflict. All steps are appropriate, but Ecuador must remain firm at the negotiating table, the candidate said. [passage omitted]

Dr. Francisco Huerta Montalvo, Ricardo Novoa's running mate, said the president must seek open dialogue with his Peruvian counterpart. He added that the Ecuadoran president's position must be firm so that everything that has been achieved so far will not be stagnated. [passage omitted]

Ecuador: Army Chief To Visit Brazil 'To Strengthen Links'

PY0403235396 Madrid EFE in Spanish 1623 GMT 4 Mar 96

[FBIS Translated Text] Quito, 4 Mar (EFE) — Ecuadoran Army Commander General Paco Moncayo today said that he has accepted an invitation to travel to Brazil on 9 March at the invitation of the Brazilian Army "to strengthen links" between the two armies.

Brazil is also a member of the Ecuador-Peru Military Observers Mission (MOMEP), which is mediating in the peace process between the two countries after they waged an undeclared war over a border conflict last year.

"I accepted the invitation of the Brazilian Army Ministry because I believe the armies of different nations should strengthen links. In this case it is more important because the Brazilian Army has members in the MOMEP and Brazil is one of the guarantor countries," said Moncayo to EXPRESO of Guayaquil (Ecuador).

Brazil, Argentina, Chile, and the United States are guarantors of the 1942 Rio de Janeiro Protocol, which established the border between Ecuador and Peru.

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"I believe the links with the guarantor countries and the MOMEP are useful to Ecuador," said Moncayo, who added that travelling to Brazil "brings memories of 20 years ago when I attended the Brazilian officers school."

Moncayo said that Brazil, "because of its size has tremendous influence in international and continental relations. In addition, it is a country with great affection for peace and with people who are very much like Ecuadorans: They have a feeling of brotherhood, they are frank, and have an open heart."

Asked if his trip would be an answer to the visit paid to Brazil by Peruvian President Alberto Fujimori last week, Gen. Moncayo said: "Every country has its own style and ways of approaching other countries. That should be respected. Ecuador and Peru, each country with its own way, have the right to strengthen links with other nations."

Moncayo labeled the meeting held today by General Jorge Ortega, chairman of the Ecuadoran Armed Forces Joint Command, and his Peruvian counterpart General Nicolas Heremoza, as "very useful and positive."

Moncayo added that the meetings between the Armed Forces of the two countries will help to create and maintain the process of mutual trust and openess, which will be necessary for the upcoming negotiations on the main issues to be dynamic.

Ecuador: Presidential Campaign Trail Notes

96SM0128A Quito HOY in Spanish 27 Feb 96

[Received via Internet]

[FBIS Translated Text]

Castello Supporters Die

Huaquillas—Juan Jose Castello, MPD [Democratic People's Movement] candidate for president of the Republic, had to postpone a campaign tour that his supporters had prepared for him in the southern part of the country because of a traffic accident that caused the death of two of his supporters and injured others. The accident occurred Sunday on the Machala-Huaquillas highway.

The dead victims were Armando Coronel, director of the Chumichasqui folkloric group, and Juan Escudero, an executive of a private company in Quito, who were riding in an automobile that was hit by a bus belonging to the CIFA [expansion not given] cooperative. The injured victims were Gonzalo Cardenas Roman, president of the cantonal council; the councilman Cesar Leon Garcia; and Nancy Benavides de Coronel, wife of the deceased director of the Chumichasqui group.

The victims of the accident were en route to a political rally that was going to be held in Huaquillas in support of MPD presidential candidate Juan Jose Castello. The accident was caused by the speed at which the vehicle—which belonged to the interprovincial CIFA cooperative—was being driven.

Over the weekend the candidate Juan Jose Castello toured the suburban districts of Machala, Puerto Bolivar, and Santa Rosa. Meetings and rallies were prepared in each of them, but after the accident the candidate postponed his campaign tour.

Jaramillo, Campaign Manager for Velazquez

Jacinto Velazquez, candidate for president of the Republic, reaffirmed his independence from the political parties and religious groups and simultaneously expressed his thanks for the support he has received in Quito and Guayaquil. He said he had obtained at least 55,000 signatures in the capital city, and in his opinion this proves that his candidacy has broken with the regionalist and even separatist proposals that have surfaced in the nation.

Velazquez further stated that "political activity should not be mixed with religion of any kind." He was referring to the entry of candidacies that are sponsored by religious movements.

He also announced that Quito attorney Fabian Jaramillo has been appointed manager of his presidential campaign.

Freddy Ehlers Begins Campaign in Cuenca

Cuenca—Freddy Ehlers, presidential candidate of the "Pachakutik New Nation Movement for Plurinational Unity," will begin his campaign on Thursday in this city. After a press conference to be held immediately following his arrival in the morning, the newsman of La Television will tour the residential districts and marketplaces of Cuenca accompanied by vice presidential candidate Rosana Vinueza.

In the afternoon Ehlers will meet with a group of intellectuals at the House of the Cultural Nucleus of Azuay, as Rodrigo Paz, Jaiem Nebot, and Juan Jose Castello had done previously. An auction of paintings will be held in the evening to raise funds for his campaign.

Moreover, Ehlers has selected his team of aides for his campaign. Gonzalo Ortiz is in charge of political affairs; Jaime Moncayo, economic and international affairs; and Maria del Pilar Vela, social affairs. Ramiro Galarza represents the social movements that support Ehlers. Francisco Borja is the manager of the team.

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MPD Optimistic in Azuay Province

Cuenca—"Our vote has increased in recent years, and for that reason we are going to win," MPD mayoralty candidate Patricio Torres said.

Torres noted that the MPD vote had increased by 120 percent during the past six years, situating the party in fourth place in the most recent elections. He declared that his efforts are directed toward those sectors of the population that seek an alternative in the areas of employment and public services, and in this case, in the municipality of Cuenca.

He also stated that he is concerned over the candidacy of Fernando Cordero, inasmuch as some of Cordero's friends and family want to return to organizations such as ETAPA [expansion not given].

With reference to his agenda, Torres declared that the municipality has many problems, whereas the present authorities have devoted themselves exclusively to those problems that exist within the urban perimeter. "We shall respond to problems in the outlying districts by instituting paving and sewer projects," he said, adding that his agenda will also include improving the streets of the city proper, which are in very poor condition.

Ecuador: Former FM Says Guarantors 'Supported' Peru

96SM0128B Quito HOY in Spanish 28 Feb 96

[Received via Internet]

[FBIS Translated Text]

Aleman: Amazon River Outlet Claim Abandoned

"Ecuador has abandoned its position of claiming a sovereign and honorable outlet to the Amazon River," former deputy foreign minister Mario Aleman alleged yesterday. He questioned the decision to submit the list of the "impasses" agreed upon by the foreign ministers of Ecuador and Peru.

The former deputy foreign minister declared that the list of "impasses" that Foreign Minister Galo Leoro delivered to the guarantors, Ecuador supports the thesis that the Protocol cannot be executed, it does not envision the possibility of seeking a sovereign outlet to the Amazon River.

In this way, Aleman said, Peruvian Foreign Minister Francisco Tudela not only brought back to his country the list of impasses but also word of "the end of the protest that Ecuador had been making from 1830 to 1995, namely that a sovereign and direct outlet to the Amazon is something inherent in its being and its destiny."

What is most serious, Aleman explains, is the fact that Ecuador's abandonment of this position ties the hands of the next government, which will no longer be able to include this topic in the basic negotiations.

"In last week's negotiations," he says, "Ecuador regrettably gave away something vital at an inopportune moment and got nothing in return, because Peru agreed only to implement the Itamaraty Declaration, which obligates it to keep a force of 60 men in PV2 [Watch Post 2].

"Can it be," Aleman wonders, "that the guarantors did not know that there were 450 men in PV2, and was it necessary for Ecuador to voice its concern in order for Peru to make a commitment to comply with the provisions of the Itamaraty Declaration?"

The Guarantors Supported Peru

The former deputy foreign minister believes that the guarantor countries have supported Peru in its effort to obtain the presentation of the list of the impasses, because all of those countries are united by a common denominator: the fear that the new Ecuadoran Government will change its position and cease to recognize the validity of the Protocol.

He also points out that the submission of the list has provided the guarantors and Peru with assurance that the new Ecuadoran Government cannot intensify any "impasse"—because the list is definitive—and will also be unable to incorporate any new element in the negotiations, such as the demand for access to the Amazon River.

For this reason, Aleman believes that Peru laid its trap very well: it deliberately left its men in PV2 in order to have a vehicle for exercising pressure on Ecuador.

Ecuador: Military Express Satisfaction With Talks

96SM0128C Quito HOY in Spanish 27 Feb 96

[Received via Internet]

[FBIS Translated Text]

Did MOMEP Wait Too Long?

"Ecuador cannot be naive or overconfident with respect to this problem," the former chief of the Joint Command of the Armed Forces, General Victor Manuel Bayas, said in commenting on the Peruvian commitment to demobilize its troops stationed in PV2 [Watch Post 2].

Although the former military officer believes that the guarantors of the Protocol have fulfilled their obligation by demanding that Peru comply with Point 5 of

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the Itamaraty Declaration, which deals with the demobilization, he nevertheless asked, "Why did MOMEP [Ecuador-Peru Military Observers Mission] wait so long?"

He said, however, that Peru's compliance with the demobilization is reassuring to Ecuador, in that it will establish an equilibrium between the forces of the two countries that are present in the border zone.

In Bayas' view, Ecuador was not pressured to submit the list of "impasses," which moreover have always been recognized. as for example the impossibility of implementing the Protocol in the Santiago-Zamora zone.

Minister of Defense Alfonso Alarcon believes that the signing of the most recent accords with Peru constitutes progress in the relations between the two countries, because it stipulates that there must be prior compliance with Point 5 (concerning demobilization) of the Itamaraty Declaration before proceeding to the basic negotiations.

For his part, the present chief of the Joint Command of the Armed Forces, Jorge Ortega, said he was optimistic concerning the meeting he will have this Friday with his Peruvian counterpart, Nicolas Hermoza, "because I am aware of his goodwill and the goodwill of the Peruvian armed forces."

The ceremony at which major generals Paco Moncayo (Commander of the Army) and Jorge Ortega will be promoted to generals of the Army will be held today at the Eloy Alfaro Higher Institute of Parcayacu.

Ecuador: Moncayo Expresses Support for Talks

96SM0128D Quito HOY in Spanish 28 Feb 96

[Received via Internet]

[FBIS Translated Text]

"We Are Not Renouncing the Outlet to the Amazon"

"Ecuador will not readily renounce its historic position" of seeking a sovereign outlet to the Amazon River, the commanding general of the Army, Paco Moncayo, declared yesterday.

The Army chief accordingly asked those sectors that have questioned the government's diplomatic management of the territorial problem with Peru "not to speculate" about a matter of such great importance, because "any speculation" not only harms the nation's morale but makes diplomatic activities difficult, within the framework of the pacification process and the basic negotiations.

Moncayo pledged the support of the Armed Forces for the government's foreign policy and for the will of the people with respect to the territorial question, but he emphatically stated that the military institution does not make the decisions in this sphere, because its function is advisory.

In this context, he asked for "prudence" on the part of the citizenry, because of the sensitivity of the negotiations that will entail concessions by both sides, which will have to draw their positions closer together with the support of the guarantors of the Protocol.

Moncayo warned Ecuador not to expect simple solutions. He said the nation will have to gird itself with patience and confidence in our diplomacy and present a united defense of Ecuador's rights at the negotiating table.

He accordingly emphasized that the most important element in the peace process is the fact that Peru has agreed to discuss with Ecuador all of the "impasses" cited by both sides concerning the territorial problem.

At the same time, Moncayo defended the role played by MOMEP [Ecuador-Peru Military Observers Mission], saying that "it is the reason Peru is withdrawing" from PV2 [Watch Post 2]. He concluding by emphasizing that the Mission has acted with absolute impartiality and respect for both countries and their respective positions.

He stated that MOMEP has not yet reported on Peru's compliance with the demobilization, and although there is no deadline for compliance, Moncayo said he was optimistic that the neighboring country will fulfill its commitment, just as Ecuador has fulfilled "in an exemplary manner" all of the commitments it made at Itamaraty.

Similarly, Foreign Minister Galo Leoro criticized as negative the views of those who question the handling of the diplomatic negotiations. "I think it is a mistake that people are expressing opinions when no one knows what was actually said," he commented bluntly.

Ecuador: Reelection Trend Noted Among Candidates

96SM0128E Quito HOY in Spanish 28 Feb 96

[Received via Internet]

[FBIS Translated Text]

The Prefects Want Another Term

"On to reelection" seems to be the motto of three of the five prefects on the Coast.

In fact, most of the five prefects have decided to seek reelection, except for one who has set his sights on the post of deputy.

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Nicolas Lapentti, of Guayas; Clemente Vasquez, of Manabi; and Carlos Falquez, of El Oro (all of whom represent the Social Christian Party [PSC]), together with Oscar Llerena de Los Rios, a member of the PRE [Ecuadoran Roldosist Party], will seek reelection. Not so the prefect for Esmeraldas, Carlos Saud, who will be a candidate for deputy.

Guayas

In Guayas Province the incumbent, Nicolas Lapentti of the PSC, will be a candidate for prefect. He previously ran as a representative of the extinct Democratic Party.

Because he has the support of Mayor Leon Febres Cordero and because of his own positive image (and especially because he has been a famous sports figure and is the father of the tennis champion who bears his name), Lapentti has a good chance of winning election, according to the polls.

The PRE has enlisted as its candidate former deputy Adolfo Bucaram, brother of presidential candidate Abdala Bucaram. Adolfo Bucaram was dean of the School of Industrial Engineering of the University of Guayaquil.

Other candidates are Antonio Malo, representing the FRA [Alfarist Radical Front]-Liberal alliance, who has had little political experience, and Vicente Estrada, representing the Popular Democracy Party (DP), who previously had served as councilman representing the PRE.

Otto de Icaza Ponce will run in representation of the Democratic Left; Luis Argudo Nevarez, of the National Alliance; Julio Guerra, of the CFP [Concentration of Popular Forces]; and Augusto Ramirez, of the MPD [Democratic People's Movement], a university dean, who had previously been a candidate for that office.

Los Rios

In this province the incumbent, Oscar Llerena of the PRE, will seek reelection. He previously served as provincial deputy in representation of the FRA and subsequently supported the campaign of the current president, Duran Ballen.

Other contestants are: Jorge Mogrovejo of the MPD, Gladys Ojeda of the PSC, Segundo Jacome of the APE [expansion not given], Yolanda Pena of the FRA, Augusto Pazmino of the DP, Segundo Martillo of the CFP, and Edgar Pastrano of the New Nation Movement.

El Oro

The following candidates have filed in El Oro Province: the incumbent, Carlos Falquez of the PSC; Viterbo Romero of the APRE [Ecuadoran Revolutionary Popular Action]; Montgomery Sanchez of the PRE; Juan Vargas Alban of the Independent Movement for National Restoration; and Victor Aguirre Naula of the DP.

Falquez previously served as a provincial deputy under the label of the CFP. He subsequently joined the PSC and as a member of that party performed various functions in the administration of Leon Febres Cordero.

There Is Pleasure in Repetition

The following are candidates in Manabi Province: Ronald Briones of the FRA-Liberal Alliance; Augusto Naveda of the DP; Kavir Briones of the APRE; Robespierre Pinoargote of the PS [Socialist Party]; Humberto Manabi Guillen of the PRE; and the incumbent, Clemente Vasquez, of the Social Christian Party. The polls to which HOY has had access indicate that Vazquez has an excellent chance of winning reelection.

Guillen has belonged to several political organizations. He first served as minister of health in the administration of Jaime Roldos and accordingly joined the CFP. At the time of the bitter Roldos-Bucaram dispute he defected to the People, Change, and Democracy Party (PCD).

Guillen subsequently left the PCD and wound up in the Alfarist Radical Front (FRA), under whose label he was elected provincial deputy. He later enlisted in the ranks of the party that is currently governing—the PUR [Republican Unity Party]—as a member of which he ran for mayor of Portoviejo, losing the election together with the Social Democrat Jose Delgado.

As a member of the PUR, he was subsequently elected provincial deputy. With the demise of the PUR, Guillen—who is known in Manabi as "titobi" [meaning not given]—joined the Conservative Party but later turned up as a member of the PRE, under whose label he accepted nomination for the post of prefect of Manabi.

Esmeraldas

The following are candidates in Esmeraldas Province: Maximo Ricardo Nicola, representing Liberalism; Gilberto Plaza Chillambo, DP, formerly a deputy under the CFP label; and Gabriel Saud Saud, PSC, also a former deputy. The other candidates are: Rene Marcelo Rohor Valenzuela, PRE; Sara Evelin Ortiz Rodriguez, APRE; Carlos Cesar Concha Jijon, FRA; Guillermo Hermogenes Lemos Valencia, MPD-Socialist Broad Front; David Geronimo Lince, MIRP [expansion not given]; and Henry Morejon Rodriguez, MITP [expansion not given], none of whom has had any political experience.

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Ecuador: Solorzano Issues Eight-Day Deadline on Funds

96SM0128F Quito LA HORA in Spanish 27 Feb 96 p 2

[Received via Internet]

[FBIS Translated Text] The president of the Supreme Court, Carlos Solorzano, has set a definitive deadline of eight days from this Wednesday [28 February] for those natural persons and juristic persons who have received payments drawn on the confidential funds of the vice presidency of the Republic to submit the pertinent documentation to justify the payments.

Solorzano also ordered that the brief submitted by Alberto Dahik, former vice president of the Republic, be incorporated into the proceedings. At the same time, he denied a petition from Dahik asking the court to investigate Account No. 2424970 of the Bank of the Pacific, on grounds that the petition had no basis in law. The president of the Supreme Court contends that Article 87 of the Financial Institutions Law and the banking confidentiality controls prohibit financial institutions from disclosing information concerning transactions involving deposits and authorizations of any kind.

Consequently, Solorzano says, the petitioner must state in writing the name of the holder of the aforesaid bank account and the holder's connection with the case, and especially if that person has been the beneficiary of confidential funds from the office of vice president.

On another matter, the president of the Supreme Court ordered an examination of the banking documents kept in the security vaults of the Central Bank. They will be examined by the expert accountants Rene Lopez and Washington Pacheco, who will be able to confirm their previous reports or amplify them. This proceeding will take place next Tuesday [5 March] at 0900.

The judge also ordered that the reports of the expert accountants Lopez and Pacheco be incorporated into the proceedings. These reports relate to the payees of drafts in dollars derived from the acquisitions made using funds from the confidential expenditures account.

Ecuador: Campaign Activities Increasing

96SM0128G Quito HOY in Spanish 26 Feb 96

[Received via Internet]

[FBIS Translated Text]

Candidates Intensify Campaigns

Although the apathy of the electorate continues to set the tone of the campaign, in recent days the presidential candidates have intensified their campaigning throughout the country.

This past weekend [24-25 February] Jaime Nebot, Rodrigo Paz, Juan Jose Castello, Abdala Bucaram, and Frank Vargas visited a number of provinces. Ricardo Noboa returned yesterday [25 February] from Miami, while Freddy Ehlers is continuing to refine his proposed governmental program and Jacinto Velazquez is meeting in Guayaquil with his supporters.

The independent candidate Jose Gallardo is meanwhile busy in Quito. On Saturday [24 February], after attending a mass at the Metropolitan Cathedral in honor of the heroes of Cenepa, he visited the low-income districts of Chillogallo, Ladrilleros, and Cristo Rey and yesterday toured Carcelen, Chaupi, and Lucha de los Pobres [Poor People's Struggle].

Paths of Nebot and Castello Cross in El Oro Province

For their part, Jaime Nebot and Juan Jose Castello were simultaneously on tour in El Oro Province, where in recent days there has been intense political agitation because of the presence of the two candidates for president of the Republic.

Nebot preided over large political rallies in Santa Rosa, Puerto Bolivar, Huaquillas, Arenillas, El Guabo, and other localities, while Juan Jose Castello toured the markets and suburban districts and addressed a political rally.

Vargas and Bucaram in Manabi Province

Abdala Bucaram, his running mate Rosalia Arteaga, and candidate Frank Vargas chose Manabi Province for their political activity. Abdala and Rosalia are promoting their candidacies on a tight schedule that has included motorized caravans in Portoviejo, a political rally in Manta, and tours of a number of localities in this huge province.

In the meantime, Frank Vargas Pazzos met with intellectuals in Portoviejo, after which he visited the markets and working-class districts of the provincial capital. Beginning today and until Wednesday [6 March], the APRE candidate will tour El Carmen, Flavio Alfaro, and other localities in Manabi Province. He will return on Thursday [29 February] to Quito.

Rodrigo Paz in Imbabura Province

Rodrigo Paz, on the other hand, promoted his candidacy in Imbabura Province by means of tours, rallies, and caravans. He visited San Pablo, Urcuqui, and San Antonio, among other localities. At noon on Saturday

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[24 February] he addressed a rally in Otavalo, after which he went to Cotacachi and San Roque and was in Pimampiro until late that night. In the early morning he returned to Quito to attend a meeting of his political bureau.

Little information is at hand concerning the candidates Rene Manangon, Fernando Marroquin, and Miguel Sanchez inasmuch as it is impossible to communicate with their campaign headquarters. It is known, however, that Marroquin and Manangon are waiting to see whether their candidacies have been qualified by the Supreme Electoral Board [TSE].

TSE Studies Candidates

The Committee on Jurisprudence of the Supreme Electoral Board (TSE) will begin today its study of the presidential candidacies that have not yet been qualified, inasmuch as the period for challenging the candidacies expired on Saturday [24 February].

This was announced by TSE officials, who yesterday continued to refine procedures so that the Committee on Jurisprudence could begin today its study of the legality of the candidacies.

All candidacies for president and vice president of the Republic, and for national deputy, that are submitted to the TSE must be qualified—and all challenges and appeals resolved—no later than 4 April, that is to say, 45 days before the first round of the elections.

The Committee on Jurisprudence will complete its work by tomorrow [27 February], and the TSE as a whole will have 10 days from that date to render its decisions.

TSE sources point out that the names of the candidates must be published 30 days before the elections.

Hurtado Changes Jobs

Former president Osvaldo Hurtado left the post of campaign manager for presidential candidate Rodrigo Paz so that—in the words of the presidential candidate himself—"implementation of the policy lines that have been established can be pursued by the officials who are in charge of the political representation and the administrative duties."

Polo Barriga, the campaign's director of press relations, explained that this does not mean that Hurtado has left the campaign.

In this connection, Paz announced that "former president Hurtado will continue to serve as chairman of the Political Committee of the campaign, as he has been doing until now."

"I asked Dr. Osvaldo Hurtado—who generously agreed—to take over the management of my campaign at a crucial moment when his leadership was needed," Paz said, "in order to lay the strategic foundations for this final phase of the campaign and to make a number of adjustments in the areas of organization and communications."

Nevertheless, the fact that the former president lasted only 15 days as Rodrigo Paz' campaign manager has given rise in political circles to more than one question.

Ecuador: Indigenous Organization Supports Ehlers

96SM0128H Quito LA HORA in Spanish 27 Feb 96 p 2

[Received via Internet]

[FBIS Translated Text] Quito, 27 Feb—Based on statements made today by Luis Macas, Indian leader and candidate for national deputy in representation of the New Nation Movement, it appears that this social sector will continue to support the presidential candidacy of Freddy Ehlers.

Macas stated that there is no split in the CONAIE [expansion not given] because of the support of Ehlers, but he acknowledged that the statements made by Rosana Vinueza, Ehlers' running mate, to the effect that she belongs to the religious organization Opus Dei is causing some concern.

"It is a difficult moment," Macas said, "and for that reason we Indian leaders will meet tomorrow to study the situation and decide whether to continue our support." He explained, however, that for the present they are continuing their support despite the concern felt in the indigenous sector of the population.

Peru

Peru: Commentary Says U.S. Certification 'Ridiculous'

PY0703224596 Lima EL COMERCIO in Spanish 7 Mar 96 p A2

[Commentary by Ricardo Blume: "Who Certifies the Certifier?"]

[FBIS Translated Text] Around this time of the year the United States issues (or does not) a well-done certification for drug enforcement to countries within its sphere of influence, particularly Latin American countries.

Those who pass the test keep getting aid for drug enforcement, while those who fail stop getting it as

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well as other kinds of aid, particularly economic aid. The United States decides all by itself who passes the annual exam and who does not.

Thus, Uncle Sammy wields its old big stick, particularly in an election year. The uncle, however, is not as fearsome as he appears to be because for the most part the examined countries get certified.

Even if they fail to get certified it is no big deal because as a rule the treats are never carried out, and the decertified countries continue getting the aid although it slows down to a trickle. Rather than being offensive, the whole thing is ridiculous.

First of all, what rights does a country have to certify or decertify another country? Aren't we all equal? Is it that our cousin is the most equal among all equals? As the saying goes, if you hold the purse strings, you own the game.

In the second place, can the world's top consumer of drugs judge those who produce it, process it, and export it? Especially if one takes into account that these countries wage an all-out war against the drug trade in their own territories, send the drug bosses to prison, and seize tonnes of drugs that are publicly burned afterwards.

I wonder why we never hear about arrests of druglords in the United States? Why do our cousins keep telling us that there are no drug cartels in the United States?

It would seem that all they have are peddlers and pushers, all of them, naturally, of Latin extraction. Who then receives the large shipments of drugs that leave Colombia, go through Mexico, and end up in the United States? We are talking about tonnes of drugs, not small packages that mules carry through customs.

I must be seriously misinformed because I have never heard about arrests of druglords in the United States or the discovery of drug cartels there. Could it be that they are seeing the drug problem elsewhere but ignoring their own?

The strange thing about all this is that it is happening in the era of market worship, in the reign of free market, and unless I have been taught wrong, markets are ruled by supply and demand.

Can I make people buy candy just by offering it? Perhaps in some cases. Isn't it true, however, that if everyone wants my candy I will produce it as fast as I can? Demand is the ruling force.

Which is the country with the highest demand for drugs? The one where they are consumed the most. Therefore, the reasonable thing to do would be to take care of local consumers rather than worry about foreign providers. In any case the battle should be fought on both fronts emphasizing demand control, because where there is no demand, suppliers can do little or nothing.

Over 300 years ago Sister Juana Ines de la Cruz, the charming nun from the convent of San Jeronimo, wrote these satirical verses which are right on the mark:

Who are to blame the most

For any evil done

Those who sin for the pay

Or those who pay for the sin?

Both the buyers and the sellers of the drugs are at fault. Isn't it true, however, that those who pay for the sin are to blame the most. Meanwhile, we are witnessing the absurd punishment and harassment of those who sin for the pay — people from underdeveloped, miserable countries — while the wealthiest country there is, and one so highly developed that its trade has outgrown its border, goes scot free.

The United States is eagle-eyed to see coca in other people's countries but blind as bats to the huge amount of it in their own. Since they have no cartels or druglords, they take it upon themselves to certify or decertify countries that do have drug lords and cartels and fight them to death spending money they sometimes do not have on a war lost from the onset because as long as there is demand, there will be a supply.

Unless, of course, they make up their minds to legalize drug use, which is the only way to break this vicious circle. That, however, is another story altogether. Like the story of the Cucaracha [reference to popular song] who can no longer walk... but still certifies.

Peru: Ecuadoran Position on List of Impasses Rejected

PY0703152296 Madrid EFE in Spanish 0917 GMT 7 Mar 96

[FBIS Translated Text] Lima, 7 Mar (EFE) — The inclusion by Ecuador, in its list of disagreements, of the impossibility of partially implementing the Rio de Janeiro Protocol and its proposal for a free and sovereign access to the Maranon and Amazon Rivers have prompted categorical rejection by several Peruvian sectors.

The Peruvian and Ecuadoran positions concerning the "prevailing impasses," or border disagreements between the two, were released on Wednesday in Lima and Quito after having been exchanged the same day at the office of Brazilian Foreign Minister Luiz Felipe Lampreia in Brasilia.

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The handing over of the lists of disagreements is considered one of the steps prior to the fulfillment of point six of the Peace Declaration signed in Itamaraty (Brazilian Foreign Ministry headquarters), a document that puts an end to the undeclared war between Peru and Ecuador from 26 January to 28 February 1995 due to border disagreements.

Ecuador included as first "impasse" the point concerning the "impossibility of partially implementing the Rio de Janeiro Protocol because there is nothing that divides the waters between the Zamora and the Santiago Rivers," and also the point concerning the "free and sovereign Ecuadoran access to the Maranon-Amazon Rivers."

Javier Arias Stella, foreign minister during the government of former Peruvian President Fernando Belaunde (1980-85), said that the sovereign access to the Amazon River is "a subject that is not logical" in a list of that type.

Arias said that the aforementioned inclusion of points by Ecuador "is a well-known Ecuadoran aspiration" that "has nothing to do with the pending matter": the establishment of border markers.

"No one can admit a subject that has nothing to do with the essence of the protocol," the former foreign minister said, referring to the list submitted by Ecuador.

He added that Ecuador has achieved the inclusion, as a matter for discussion, of the right to have access to the Amazon River which it lacks.

Independent Moralization Front (FIM) congressman Ernesto Gamarra termed "censurable" the inclusion by Ecuador of the point concerning the impossibility of partially implementing the 1942 Rio de Janeiro Protocol and the point on "free and sovereign access" to the Maranon and Amazon Rivers as part of its disagreements.

"By submitting those points, Ecuador is returning to the previous theory, and it overthrows all efforts being made to find a solution to the problems," Gamarra said.

He added that Argentina, Brazil, Chile, and the United States, guarantor countries of the Rio de Janeiro Protocol, and the international community "must realize that Ecuador's position is censurable."

He said that the guarantor countries "must force Ecuador to fulfill the protocol," a treaty that established the Peruvian- Ecuadoran borders and is considered by Peru a perfect document that gave a definite solution to the border conflict between the two countries.

Retired General Sinesio Jarama, expert on this matter, said that Ecuador's demand for access to the Amazon River is "unacceptable and impertinent."

Diplomat Jorge Morelli said that Ecuador "intends to reaffirm its pretensions to sovereign access to the Amazon," and added that Ecuador is recognized as an Amazon country but it is not a coastal country.

Congressman Gilberto Siura, president of the Congressional Committee for Internal Defense and Order, stated that Ecuador's viewing of the issue of free access to the Maranon and Amazon Rivers as a "prevailing impasse" is in vain, "because it would harm Peruvian territorial integrity."

Peruvian President Alberto Fujimori said on Wednesday in Panama, where he is paying an official visit, that the impossibility of partially implementing the Rio de Janeiro Protocol, which is the Ecuadoran position, "will be duly clarified during the rounds of talks."

The presentation of the lists of disagreements is one of the steps prior to the fulfillment of point six of the Itamaraty Peace Declaration which establishes direct negotiations between the two countries to find a solution to the "impasses."

Fujimori said that the disagreements must be "analyzed within the framework of the Rio de Janeiro Protocol and of the arbitration of Brazilian Captain Braz Dias de Aguiar."

Concerning the "free and sovereign" access to the Maranon and Amazon Rivers, the Peruvian president said that the Rio de Janeiro Protocol grants free navigation to Ecuador, "but this does not mean sovereignty."

In its list of disagreements, Peru establishes its position that there is need only to complete the installatioin of border markers on the border line established by the 1942 Protocol of Peace, Friendship, and Limits.

Peru: Tudela Says Ecuadoran List of Impasses 'Imprecise'

PY0803004296 Madrid EFE in Spanish 2318 GMT 7 Mar 96

[FBIS Translated Text] Trujillo, (Peru), 7 Mar (EFE) — Peruvian Foreign Minister Francisco Tudela said today that the Ecuadoran position on the border conflict with Peru is "political and imprecise" in toponymic terms.

Tudela referred concretely to the second paragraph of the first point of the list of "subsistent impasses" presented by Ecuador on 6 March, which demands a "free and sovereign Ecuadoran access to the Maranon-Amazonas rivers."

According to Tudela, the mention of a free and sovereign access is of political nature and the reference made to the "Maranon-Amazonas" is confusing and cannot be understood what it refers to.

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He added that Peru also does not understand the relationship between the first paragraph of the Ecuadoran list, which declares "the partial inexecutability of the Rio de Janeiro Protocol due to the nonexistence of the divortium aquarum between the Zamora and Santiago Rivers," and the already mentioned second paragraph of the first point.

Tudela said, however, that by knowing Ecuador's list of "subsistent impasses," "we were able to overcome an uncertainty of 40 years," because he said that Ecuador never explained in the past the meaning of the inexecutability of the Rio de Janeiro Protocol, which is the border treaty signed by the two countries on 26 January 1942.

Tudela pointed out that now at least Ecuador talks about the "partial inexecutability" and not the total inexecutability of the Rio de Janeiro Protocol.

Tudela said that now that the list of "subsistent impasses" or border disagreements of each country are known, the "disagreements are very serious."

Nevertheless, he said, Ecuador and Peru will continue the talks within the framework of the Rio de Janeiro Protocol and the guarantor countries (Brazil, Chile, Argentina, and the United States).

He added: "If we didn't have any disagreements, we would have nothing to talk about."

Tudela said: "We have the board and the pieces. We now need the instruction manual."

He said that the Peruvian position is very clear, that it is the same position it maintains since 1942, in compliance with the Rio de Janeiro Protocol and its instrumental annexes, the Aranha Formula, and the Braz Dias de Aguiar arbitration, which were signed by Ecuador.

Regarding the time the talks between the two countries will take, Tudela said that Peru does not want the talks to last more than necessary, and that the Ecuadoran electoral process should delay the talks.

Tudela added: "The talks between Ecuador and Peru are between two states and not between two governments.

Tudela gave a news conference today upon arriving in Trujillo to attend the foreign ministers meeting prior to the Eighth Andean Presidential Council Summit to be held on 9 and 10 March in Trujillo, 561 km north of Lima.

Ecuador and Peru were engaged from 26 January to 28 February 1995 in an undeclared war over an Amazon territory of 300 square km that has not yet been demarcated.

The Rio de Janeiro Protocol, the Aranha Formula, and the Braz Dias de Aguiar arbitration established, in accordance with international law, the mechanism for demarcating that territory but Ecuador never accept them.

Peru: Leoro Comments on Tudela's Remarks

PY0803035196 Lima America Television Network in Spanish 0100 GMT 8 Mar 96

[FBIS Translated Text] A few minutes ago, Ecuadoran television carried a live interview with Foreign Minister Galo Leoro [in Trujillo, Peru]. We have a video of the interview.

[Begin recording] [Unidentified reporter] The Peruvian foreign minister gave a news conference about the list of subsistent impasses prepared by Ecuador and Peru. He said, among other things, that there is something illogical, especially in the first point of the list, which does not have juridical basis in accordance with terms of the Itamaraty Peace Agreement, and that in addition to that it goes against current protocols, and that it is a political issue. He also said that it is an exaggerated aspiration. What is the position of the Ecuadoran Government in relation to these remarks?

[Leoro] I do not want to enter into some kind of public debate on issues that should be proposed in negotiations between the two countries. Making the issues public only serves to obstruct the negotiations, instead of leading to a rapprochement in positions. As you just said, the Peruvian foreign minister said that the Ecuadoran position is political. I can say the same about Peru, that it is a political position to ask that 78 km be demarcated to put an end to the incident. That is also a political position from that point of view. I believe that what we have to do is to talk and negotiate within the process of negotiations. To talk publicly about aspects of this nature is not the appropriate way for future negotiations.

But I would like to say that the Ecuadoran position can never be put into doubt because from the start of this issue the president of the republic said that the enforcement of the Rio de Janeiro Protocol will lead to the inexecutability of the protocol, which is a situation that has nothing strange or nothing impossible. On the contrary, it is within the framework of terms well accepted due to the nonexistence of the divortium aquarum between the Santiago and Zamora Rivers, therefore the need for a rearrangement of the territorial border. This is the great difference with Peru, which believes that this is a demarcation problem.

But I don't want to continue on this issue because I did not come to Trujillo with this purpose. I am here

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basically within a multilateral framework, but I hope we will have the opportunity to talk about this issue. But to do it through the media is to create unnecessary trends of opinion, which I do not believe should be the prevailing ones, especially on the position of two countries which are trying to find a just solution, which would allow us to have a new friendship and real cooperation. This issue should be focused in that direction, and this is the objective and reality at which we should aim.

[Reporter] Is patience the best virtue in this case?

[Leoro] I believe patience will always help in every sense to the two parties. [end recording]

Peru: Foreign Minister Views 'Impasses' With Ecuador

PY0803024796 Lima America Television Network in Spanish 0100 GMT 8 Mar 96

[FBIS Translated Text] Today in Trujillo, Peruvian Foreign Minister Francisco Tudela asserted that the Rio de Janeiro Protocol and Braz Dias de Aguiar's ruling are the only valid juridical instruments for Ecuador and Peru to continue negotiations until they solve their border problems.

Tudela stressed that Ecuador's claim for sovereign access to the Maranon-Amazonas Rivers is political and imprecise.

The foreign ministers of the Andean Group are meeting in Trujillo. Ecuadoran Foreign Minister Galo Leoro is attending the event too. This is a preliminary meeting to the Eighth Andean Presidential Council to be held this weekend.

Following are passages of the news conference granted today by Foreign Minister Tudela.

[Begin recording] [Unidentified reporter] Among other things, you said that there are serious discrepancies with the Ecuadoran list. Do you think these key issues are too serious to be solved? You seem rather distressed about the Ecuadoran list.

[Tudela] No. I don't think it is a matter of whether they can be solved or not. The thing is that they should have a rational basis and a minimum framework that will serve as a common ground for the two parties. A proposal outside a minimum framework is a proposal made in the air. In its list of impasses, Peru could have asked for, God knows, just anything. For example, that some region of Ecuador, that during the times of the viceroyalty belonged to the Peruvian viceroyalty, be returned to the Republic of Peru. We have not asked for this. This would be a political declaration not based on the valid international treaties and juridical acts signed by the parties. Therefore, I would not say we are distressed by the list.

I think the list contains four impasses. In one of them, at least, the criteria is the same. Ecuador talks about demarcation problems in two sites. We, too, believe there is a demarcation problem in those two sites. I do not see any unsolvable difference here. This issue, undoubtedly, will allow for lengthy discussions in Brasilia and I think there are great chances of success.

Then there is the Napo River sector where there is a discrepancy regarding the implementation of a treaty. In other words, the problem here is different to a demarcation problem. It is not a demarcation problem. Regarding this point, Peru maintains that the land markers were planted and the acts signed by a mixed Peruvian-Ecuadoran commission and that revision, without further ado, of a free act executed jointly by the two parties, is an issue that needs to be exhaustively assessed. In principle, Peru does not agree with this. In this regard, as well as in the case of the Zarumilla canal, Peru believes this problem was solved by the Aranha Formula, that is, the direct intervention of the Brazilian foreign minister.

The interesting thing is that those three points have resulted from different viewpoints regarding international tools, concretely three that comprise the legal framework, that is, the Rio de Janeiro Protocol, the Aranha Formula, and Braz Dias de Aguiar's ruling. I would even say that the first paragraph of the first point of the Ecuadoran list of impasses, is — from Ecuador's viewpoint — a matter of interpretation of a treaty from the moment it dropped the theory about total inexecutability and nullity for the partial inexecutability theory due to the nonexistence — according to the Ecuadoran Foreign Ministry list — of a geographical feature. On many occasions Peru said it was willing to carry out the necessary geographical verifications but not to overlook the Rio de Janeiro Protocol.

However, we do believe that the second paragraph of the first point of the list of impasses is completely outside the framework of these three instruments to which the entire Ecuadoran list of impasses indirectly refers to. In this sense, we believe it is a political formula and not a subsistent impasse, to the extent that there is no juridical framework that backs it. No agreements of the past between the two nations backs this point. Therefore, it appears as a mere petition that, from our viewpoint, is exaggerated. Peru, however, abides by its agreements and will state this during the round of talks in Brasilia.

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Peru: Commentator Sees Ecuadoran Diplomatic 'Victory'

PY0703184596 Lima LA REPUBLICA in Spanish 1 Mar 96 p 6

[Commentary by Mirko Lauer: "Ecuador Wants Its Victory Acknowledged"]

[FBIS Translated Text] What was obvious one year ago is becoming even more so now: The term "subsistent impasses" used in the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Agreement stands for Ecuadoran territorial claims. The recent story of the sealed envelopes containing lists of these impasses is simply a device that the guarantor countries have come up with to allow Ecuador (the party that is likely to break the peace) to bring any issue it wants into the negotiations.

No one can claim that this diplomatic trap into which Peru has fallen, or Ecuador's aggressiveness, have caught them by surprise. It was all there in the Itamaraty document, this newspaper had spelled it out in so many words, and experts — worried by the unfavorable course developments were taking — patiently explained it all time and again. The message was loud and clear: There were no victorious Peruvian generals in the fighting for the Cenepa River.

Alberto Fujimori, worried about his electoral future (he and the Armed Forces had been campaigning for a couple of years), and indifferent to the loss of a few square kilometers in the middle of nowhere ("the little bend"), managed to hide from the people the inability of the military to push the invaders back, and to disguise the diplomatic wording that reflected this fact in the Itamaraty document.

Then Foreign Minister Efrain Goldenberg tried to convince everyone that the term "impasses" had to do with border demarcation. I stated at the time that it was a unilateral and overly optimistic interpretation because the document did not specify anything, leaving the door open to a deluge of Ecuadoran claims. In the end, Goldenberg had to go with the satisfaction of having added the title of minister to his record.

By then it was clear that the "key to understanding Ecuador's position is an article in the Itamaraty Peace Declaration which states that once the atmosphere of peace and harmony is reestablished, Ecuador and Peru will start negotiating 'subsistent impasses.' Peru's military and diplomatic position at these negotiations will be weak and complex."

We are now sitting at this table that the guarantor countries have set for us. Meanwhile, Ecuador is feeling stronger than ever and is flexing its military muscle, clearly signaling that whether the guarantors like it or not, the penetration strategy that served it well in the past may be used once again if Peru puts its foot down at the negotiations.

This is an unwanted gift that Foreign Minister Francisco Tudela has received from his predecessors, the amateurs Fujimori, Torres y Torres Lara, Blacker, de la Puente, and Goldenberg. Tudela has said that as far as he is concerned, compliance with the Rio de Janeiro Protocol is the only impasse there is. This is an admirable statement provided the rest of the government backs him up.

This is unlikely to happen. Everything seems to indicate that the Green Plan military will not jeopardize the country's skittish international reserves, and that Peru's hands and feet are tied by it neoliberal ayatollahs. Pointing out that the Ecuadoran economy is in bad shape may serve as consolation on Wall Street, but not in Lima, much less in Tumbes.

Peru: Commentator Decries Ecuador's 'Tortuous' Diplomacy

PY0603224196 Lima EXPRESO in Spanish 1 Mar 96 p A30

[Commentary by Jose Maria de Romana: "Ecuador: An Obvious Goal, A Tortuous Course"]

[FBIS Translated Text] In a recent editorial EXPRESO accurately described Ecuador's diplomatic approach to Peru as "an endless game." While Ecuador's objectives are perfectly obvious, its course of action to attain them is tortuous.

Ecuador's military leadership bases its action on two parameters: Leticia and the Middle East.

The Middle East has taught them two lessons: Israeli military technology allowed that country to overpower larger, wealthier, and more populated countries; and the war of attrition that the Palestinians have been waging could be successful by forcing a winning-yet-desperate Israel to negotiate and cede territory in exchange for peace, and clearly demarcated and secure borders.

The Ecuadoran military leadership is trying to deal with Peru through a combination of both approaches: the Israeli approach (military technological superiority) and the Palestinian approach (attrition and harassment).

Leticia epitomizes the ideal of an Ecuadoran corridor to the Amazon Region through Peruvian territory. That is Ecuador's final objective.

It is obvious that the proliferation of "impasses" involving some 12 border locations which the Ecuadoran mil-

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itary see as "debatable" is an almost childish use a standard approach to any negotiation: by multiplying problems and topics of discussion, one is able to make many "concessions" in exchange for what interests one most.

Ecuador could foster the proliferation of "impasses" to drive Peru and the guarantor countries to desperation, and then waive all 12, 20, or 100 of them aside in exchange for just a corridor in the Amazon Region giving it access to a navigable Peruvian river.

The duplicity of Ecuador's diplomacy, and its ability to confuse, complicate matters, and tangle up issues, reminds us of the Romans who talked about Carthage's fide punica [treachery]. The lack of integrity of Ecuadoran diplomacy, the fide aequatoriana, is akin to what [Roman statesmen] Cato and Scipio saw in Carthage, the deadly enemy of Rome.

While Ecuador reports that there are still Peruvian troops in the demilitarized area, it is building shelters and helicopter pads in the same area.

As far as Peru is concerned, based on history and rights acknowledged by the Rio de Janeiro Protocol and the Dias de Aguiar ruling, there is only one impasse: Ecuador's refusal to demarcate less than 100 km of the border that has been recognized and established through the above-mentioned protocol and ruling.

The role of the guarantor countries is not to ensure the demilitarization of the Peruvian-Ecuadoran border, as they have been doing over the past few months, but rather to enforce and implement the protocol and the ruling.

Ecuador must first win a difficult psychological war against itself and its own Amazon-related delusions developed over decades of distorted education and absurd fostering of antiPeruvian feelings.

Once this is accomplished, once it is at peace with itself, its irrational hate and attitudes overcome, Ecuador will be able to live in peace with Peru. It will glean the many benefits from this peace in terms of trade, tourism, finance, and environment. It may also gain access to Peruvian rivers and freely navigate them. It will become an Amazon Region country: not through sovereignty but through use.

Due to geographical proximity, common language, and similar traditions, Ecuador and Peru should cooperate with each other. A policy based on aggression and distrust is historically unsound and harms economic and cultural interests.

In this affair Peru is not the one playing Cain's unfortunate role.

Peru: Commentary on 'Disadvantages' in Talks With Ecuador

PY0603155796 Lima GESTION in Spanish 5 Mar 96 p 24

[Commentary by Maria del Pilar Tello: "The External Front"]

[FBIS Translated Text] Nobody doubts that our foreign minister, Francisco Tudela, is doing his job in a professional manner. Neither are there any doubts about the worrisome threat and the difficult situation he must face when our relationship with our neighboring countries is affected by disagreements, to say the least.

This will be a decisive week in the development of the conflict with Ecuador because the fact that the list of subsistent impasses cannot be vetoed may lead to a stagnation or block the process that has made progress, from the formal viewpoint, during the past seven months. The key of the controversy will surface immediately. Our country cannot and should not accept — under the threat of a generalized rejection — the theory that the Rio de Janeiro Protocol is, fully or partially, inexecutable. In this regard there is no possible equity and the juridical grounds, that is, the full validity of the international agreement, should prevail, not only because this interpretation favors us, but also for the defense of the principle that rules the coexistence between nations.

Unfortunately the results of the Cenepa war have already defined hopes for Ecuador and disadvantages Peru. The outcome of the conflict with Ecuador becomes clearer every day and there is little room left for speculation. We are no longer involved in an electoral period, as was the case last summer, and now one can clearly state, without the fear of being called antipatriotic, that we are beginning to suffer the consequences of the defeat. There was no concealed purpose in the Itamaraty Peace Declaration, and the business of the subsistent impasses had consequences that we must now face.

If at that time we said we were in a limbo where there was neither peace nor war, we are now facing the ambiguity of what the guarantors have prepared, whereby Peru is almost bound to the recent agreements. The confidence in the guarantor countries is relative, not only because they are acting under pressure but also because we must realize that they have their limitations, saturated by a long- standing problem that does not seem to have a solution.

Aside from the military gestures, the diplomatic visits, the political talks, there is an unwavering stance that will only extend this problem indefinitely, and this is obviously exhausting. Although it is true that the

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legal reasons have weight, the political and democratic behavior does as well. In this field, Peru's vulnerability under the current administration continues to be great, as demonstrated by the hardly polite treatment President Alberto Fujimori received during his recent visit to Brazil. The presidents of the legislative and judicial branches, who voluntarily decided not to attend the protocol ceremonies, criticized the democratic nature of our president.

Brazil, doubly important because it is a guarantor and neighboring country, has a specific influence in the continent, and diplomatic success during this visit would have probably helped start a new phase with the guarantor and neighboring countries. This is urgent because our relationship with all of them is experiencing difficult moments. The issue with Chile is the Lima Conventions, with Argentina the sale of weapons to Ecuador, with Colombia the straining of relations due to the Alan Garcia case, with the United States frictions on more than one occasion over human rights.

While the foreign minister asserts that the hemisphere integration policy is being activated, the democratic and hardly integrated image on the internal front has its repercussions, as we have already seen with Brazil, on the external front. This is a bad moment in which political issues mix with diplomatic and military issues in an international situation in which we must realize that the most important thing at this moment is to solve the northern problem.

Ecuador is winning the war of information, of influence, of lobbies, to the point that Luigi Einaudi is "concocting" an equity formula that will directly benefit Ecuadoran aspirations. Einaudi visited Peru and Ecuador, where he was very welcome, to prepare the visit that U.S. Secretary of State Warren Christopher is paying to the guarantor countries.

Why is such a high-ranking U.S. authority intervening? There is fear that an unfavorable solution will be imposed and that this imposition may be done by the first power in the world, which is also a guarantor country. In the midst of the pre-electoral period in the United States, the fear that Christopher's mission is to end, once and for all, this long conflict is only reasonable.

The table, the envelopes, the impasses, all of this is part of an adornment being prepared while Peru watches impassively. This is such an important issue that an appeal must be made for national unity regarding what the government must to do face this situation. The antidemocratic arrogance should be cast aside and a dialogue regarding a situation that already appears as an emergency should be summoned.

Peru: Fujimori, Brazil's Cardoso Sign Communique

PY0803004596 Lima LA REPUBLICA in Spanish 27 Feb 96 p 2

[Report by special correspondent in Brasilia Dorio Hinojosa]

[FBIS Translated Text] In a joint communique signed by the Peruvian and Brazilian foreign ministers, Peruvian President Alberto Fujimori today thanked Brazil for its role as coordinator of the guarantor countries of the Rio de Janeiro Protocol, which was signed on 29 January 1942, and, especially, for the actions taken in compliance with the Itamaraty Peace Declaration of 17 February 1995.

The document is signed by Peruvian Foreign Minister Francisco Tudela and Brazilian Foreign Minister Luiz Felipe Lampreia. It states: "The Brazilian president (Fernando Henrique Cardoso) reasserted his country's willingness to continue to participate in these actions in compliance with the Protocol and the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration."

The Peace, Friendship, and Borders Protocol signed by Peru and Ecuador in Rio de Janeiro, with the endorsement of the United States, Brazil, Chile, and Argentina, definitively establishes the Peruvian-Ecuadoran borderline.

As for developments on the border, the communique states that Fujimori and Cardoso noted the progress made by the survey for integrated development of the border zone Assis Brazil-Inapari Peru, which they believe may serve as a model for other initiatives to improve the standards of the communities that live on the border.

The document states that the two chiefs of state expressed their governments' willingness to decidedly collaborate in the struggle against drug trafficking, an illegal activity which they condemned, and agreed to activate the Reciprocal Assistance Agreement to Repress Illegal Traffic of Drugs that Cause Addiction, signed by the two countries 20 years ago.

Fujimori and Cardoso confirmed their resolute commitment to continue to fight illegal drug production, traffic, consumption, and related crimes, and pointed out the need to promote coordinated policies between the two countries that take into account the socio-economic aspects of the problem.

The communique states that the two chiefs of state noted the importance they grant to the efforts to promote growing integration among South American countries.

Within this context, they reasserted the priority they grant to the negotiations that will be resumed by Peru

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and Mercosur [Common Market of the South] with the purpose of reaching, before the end of this year, an agreement regarding commercial preference negotiated within the framework of the ALADI [Latin American Integration Association], by Peru with each member of the Customs Union.

The presidents noted that Peru and Brazil, in their capacity as Amazon countries, consider issues related to the subregion and the coordination of efforts within the Amazon Cooperation Treaty to be a priority.

Fujimori and Cardoso reiterated their government's repudiation of any form of terrorism and noted the significance of the Inter-American Specialized Conference on the issue to be held in Lima in April and which they will decidedly endorse.

They also noted the convenience of coordinating efforts to prepare the Sustainable Development Hemisphere Conference to be held in Santa Cruz de la Sierra on 6-8 December 1996.

The Peruvian and Brazilian chiefs of state agreed that the mentioned conference will grant an opportunity, that must be used, to promote concrete actions in the sustainable development field, in compliance with the agreements reached on the occasion of the UN Conference on the Environment and Development held in Rio de Janeiro in 1992.

Within the framework of the traditional fraternal ties shared by Peru and Brazil, the two chiefs of state applauded the recent creation of the Peru-Brazil Friendship Parliamentarian Group and expressed pleasure over the upcoming installation of the group.

Moreover, they also expressed satisfaction over the signing, today, of the Peruvian-Brazilian agreement for the recovery of cultural assets that have been stolen or illegally exported.

In another document signed by the Peruvian and Brazilian foreign ministers, called the Brasilia Act, it is disclosed that during a working meeting at Planalto Palace, headquarters of the Brazilian government, Fujimori and Cardoso reviewed the state of bilateral relations and agreed on measures to make these relations more dynamic.

To this effect, they established the Brazil-Peru Neighborhood Commission, which will be a high-level flexible mechanism with the participation of both the public and private sectors, and a higher instance to promote effective relations between the two countries.

The Neighborhood Commission, which will be subject to both Foreign Ministries, will enjoy a full mandate and meet alternately in Brazil and Peru with an agenda and on a date to be arranged through diplomatic channels, with the purpose of assessing subjects of interest on the bilateral agenda.

The commission will function in a coordinated manner with the Permanent Political Consultation Mechanism, that will watch the development of its activities.

The Neighborhood Commission will be established during the first semester of this year and will include work groups in the areas of Amazon cooperation and border development, physical integration and transportation, environment, and technical cooperation.

Peru: Daily Views Fujimori's Change in Policy on Brazil

PY0803020496 Lima EXPRESO in Spanish 27 Mar 95 p A3

[Editorial: "A Political Partner and a Market"]

[FBIS Translated Text] President Alberto Fujimori announced in Brasilia Peru's support for the Brazilian aspiration to become a permanent member of the UN Security Council [UNSC]. Foreign Minister Francisco Tudela explained that "Brazil is a highly representative country of the region where we live" and that due to its "demographic, economic, and political weight, it is the ideal candidate for the UNSC." President Fujimori allegedly discussed this issue with Brazilian President Fernando Henrique Cardoso on 26 March.

This announcement represents a spectacular change in Peruvian foreign policy, traditionally closer to Argentina than to Brazil. There is a fact that seems to have prompted this change. While Peru supported Argentina — even with weapons — during the Falklands War, during the war with Ecuador, Argentina sold weapons, through a third party to that country from Buenos Aires.

Since the mid-70's, Brazil and Peru have signed agreements that have not worked. President Fujimori himself has travelled to Brazil to attend the Summit on the Environment in 1992, the Ibero-American Summit in 1993, the Rio Group Summit in 1994, and President Cardoso's inauguration. Cardoso also came to Peru for Fujimori's inauguration. Itamaraty [Brazilian Foreign Ministry] attributes this lack of dynamism "to political and economic difficulties the two countries have faced for many years."

Therefore, Brazil and Peru's economic reform is the cornerstone on which the two countries will build a new relationship: The two administrations have managed to curb inflation and make progress in reforming their respective economies. Currently, physical integration is the second subject on the presidential agenda: Brazil's

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exit to the Pacific through Ilo Port. The export of fuel from Camisea to Brazil is also on the agenda. The Common Market of the South (Mercosur) and its partnership with the Andean Group is the last subject. Regarding the latter issue, Fujimori has warned that he will go slowly: Before approaching Mercosur, Peru needs to "adapt to the opening of its own economy and the strengthening of the Andean Group."

Alejandro Gordillo, Peruvian ambassador to Brasilia, has stated that for many years Peru "only looked within," that its international policy was focused on the problems with Ecuador, Chile, and the United States, and that now, with a new "outlook," Peru has found that Brazil "is a key piece to the new Latin American integration context."

Moreover, U.S. Secretary of State Warren Christopher, has just started a tour that will taken him to Chile, Argentina, and last, to Brazil, that, together with the United States, are guarantors of the Rio de Janeiro Protocol. The agenda, obviously, is the conflict between Ecuador and Peru, but Brazil's role in Latin American affairs may also be part of it.

As a press agency rightly stated, for Peru it is a matter of getting a new political partner and entering a market.

Peru: Editorial Views Foreign Policy 'Reorganization'

PY0703224396 Lima LA REPUBLICA in Spanish 1 Mar 96 p 19

[Editorial: "The Presidential Visit to Brazil. Brasilia: Lime and Salt"]

[FBIS Translated Text] The four days that President Fujimori just spent in Brasil held a prominent place on the chief executive's heavy agenda. Like Chile, that huge country is both a neighbor and a guarantor of the Rio de Janeiro Protocol, so there are grounds to believe that Peru's relations with its neighbors are being reorganized.

This is a much-needed reorganization. Bilateral relations with Ecuador have not returned to normal after the 1995 conflict, and are closely tied to future negotiations (or deadlock) over the "subsistent impasses."

As far as Chile is concerned, economic cooperation is intense, but diplomatic relations are deadlocked after the Peruvian Foreign Ministry rejected the flawed Lima Conventions and chose to tie all future negotiations to the Treaty of Arica.

The opposite is true with Bolivia: Following the Ilo Agreement there is great diplomatic rapprochement. It is getting more and more obvious, however, that its easier to utter friendly words and draft bilateral integration covenants than to provide the infrastructure necessary to implement said covenants.

The lengthy period of instability that President Samper is experiencing in Colombia has prevented the broadening of relations developed during the Cesar Gaviria administration. A huge dark cloud is hanging over bilateral relations because of the asylum granted to former President Alan Garcia Perez in the name of a long-standing Latin American tradition, and maintained despite the requests of the Peruvian Supreme Court.

Despite the many Fujimori-Menem meetings, and the similarities that Fujimori emphasizes time and again (his much-ballyhooed reelection "recipe" successful in both countries) bilateral relations with Argentina have not recovered from the frost resulting from the scandal that broke out over the smuggling of Argentine arms to Ecuador.

The only one left was Brazil, the continental-size country which mostly keeps to itself, and with which we maintain cordial but distant relations. This is only to be expected because Brazil's foreign policy has always been heavily influenced by its friendship-rivalry relationship with Argentina which has been properly channeled through the Mercosur [Common Market of the South], and lately by its interest in Mexico (which recently welcomed President Cardoso).

Because of its vast economy, one of the world's top 20, growing through an extremely unfair distribution of wealth (10 percent of the population has everything while 60 million people live below the poverty line), Brazil plays a leading role in the subcontinent, a role which President Fujimori has freely acknowledged.

It has been felt for at least 20 years that at some point Brazil will have to start looking eastwards for an outlet to the Pacific. This possibility has awakened a mixture of appeal and fear in Peru: the voraciousness of the bandeirantes [Brazilian marauders who expanded the country's frontiers at the behest of the Portuguese crown] is very well known, and already there are Peruvian border towns where Portuguese is spoken.

The allure of integration in a world moving toward a global economy, however, has overpowered old prejudices about becoming absorbed into a future empire as satellites. For some time now, there have been talks about building a highway through the Amazon Region linking the Assis Region in Brazil with Inapari in Bolivia an idea that has become even more attractive now that there is a binational Peruvian-Bolivian development area at port of Ilo and the project for the exploitation of gas deposits in Camisea.

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Although there are some indications that Brazil would prefer Arica for its soybean and mineral exports, there is no denying that the creation of a Brazil-Peru Neighborhood Commission which will have working groups for cooperation in the Amazon Region, border development, physical integration, transportation, environment, and technical cooperation, is a favorable sign.

This neighborhood commission came out of the so-called Act of Brasilia that the two president signed after a few working meetings. There is also an agreement for the recovery of stolen or illegally exported cultural assets, agreements for drug enforcement, and the Amazon Region Cooperation Treaty. They are all more than welcome developments but results will have to be evaluated later on.

Another issue that both foreign ministers and presidents discussed, was the active role that Brazil intends to continue playing as the leader of the group of the Rio de Janeiro Protocol guarantor countries. This leadership has been traditionally acknowledged because Brazil is where the protocol was signed.

Everything seems to indicate that the Brazilian Foreign Ministry may host future Peruvian-Ecuadoran talks once the 'subsistent impasses' become known, and as long as Ecuadoran claims are reasonable and do not violate the protocol.

Even though at first glance there does not seem to be much in common between Alberto Fujimori and his radical plan of neoliberal reforms, and Fernando Henrique Cardoso who is a left-wing intellectual who supports a moderate and humane liberalism, the two presidents did exchange experience.

The only dark spot on the visit was the deliberate absence of the presidents of the legislative and judicial branches which meant that formal greetings had to be canceled. The fact is that despite the reelection and the reinstatement of Fujimori's legitimacy through the votes, the term "self-inflicted coup" is still a dirty word in Brasilia and other capitals around the world. In all fairness, however, one has to admit that its inventor has not insisted on exporting it.

Peru: Lima Becomes 'New Bridge' for Drug Traffickers

PY0703202296 Lima EXPRESO in Spanish 19 Feb 96 p A13

[FBIS Translated Summary] Experts who work in the conflictive Peruvian jungle region have stated that Lima is the "new bridge" that drug traffickers from the Upper Huallaga use to send illegal drug shipments abroad.

An Antinarcotics Police officer who has been working for one year at the Santa Lucia police base in San Martin Department said: "The blows imposed on Colombian cartels have considerably reduced the use of small planes, and prompted the creation of a new connection between the Peruvian gangs and foreign dealers."

The source said trafficking gangs gather huge amounts of washed cocaine paste from inaccessible places in the jungle and then take them to Lima by land.

It has been learned that the drugs are sent to Lima mainly by land with the complicity of the owners of some transportation companies that operate in this zone. It is then clandestinely shipped from Lima to U.S. and European markets. The criminal organizations use buses, trucks, private cars and even unwary passengers to take the drugs to Lima.

Security measures have been tightened at the Corcona checkpoint to prevent the washed cocaine from entering Lima. A month ago agents from the Corcona checkpoint seized a blanket soaked with washed cocaine paste. The police have been alert since this recent operation.

In Lima the shipment is delivered to the mafia which conceals it within the city awaiting the right time to send it abroad.

The criminals use the Jorge Chavez International Airport to export the drugs. This fact explains the recent blows dealt by the Special Operations Brigade to drug traffickers.

The seizure of 62 kg of cocaine paste was one of the most recent antidrug operations at the Jorge Chavez International Airport, where the drug was in a container ready to be sent to the United States.

The drugs that remain in Lima are distributed in several places, including the southern beaches, where there is an amazing number of micro cocaine dealers.

Peru: PNP Officers To Retire for 'Renewal' Purposes

PY0603201996 Lima EL COMERCIO in Spanish 28 Feb 96 p A11

[FBIS Translated Text] Reliable sources reported on 27 February that within the next few hours, probably on the last day of February or the first days of March, about 100 National Police [PNP] officers will be retired as part of the "renewal" process.

This is a first list, and a further unspecified number will be retired in mid 1996 for the same reasons, in an attempt to improve the organizational structure of the PNP.

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High-ranking officers, among them colonels, commanders, and majors will be retired during this period.

The first list has already been drafted and will be implemented as soon as the document is signed by top government officials.

Meanwhile, PNP officers are awaiting with great expectation the names of those who will be retired for "modernization" purposes, which is merely a reorganization of the PNP cadres to improve operations.

The retired officers will leave with all social benefits because this measure was adopted for administrative-operational purposes and is not a sanction or a disciplinary measure.

Apparently a high percentage of these officers had requested retirement due for different and personal reasons. Some believe they have already fulfilled their mission within the institution, while others want to make room for younger officers who have the possibility of better performance and projections.

The objective of this "renewal" process is to help the PNP and Armed Forces commands to reorganize the administration and operation of their institutions.

Peru: Congress Head Says Fujimori Reelection Not Allowed

PY0603164496 Lima EL COMERCIO in Spanish 1 Mar 96 p A4

[FBIS Translated Text] Peruvian Congress President Martha Chavez said on 29 February that current laws do not allow President Alberto Fujimori to seek reelection in the year 2000.

Chavez, who belongs to the ruling party Change 90-New Majority, told foreign correspondents: "My position is that legally speaking, President Fujimori cannot be reelected in the year 2000."

Fujimori, who won his first presidential bid in 1990, presided over the drawing up and implementation of a new Constitution in 1993. The new Constitution allows a president to be reelected for a second term in office, so Fujimori was reelected in 1995.

There are, however, presidential supporters who claim that Fujimori has been elected only once under the new Constitution, which theoretically would allow him to be reelected in the year 2000.

Chavez said that the ruling party, which has a majority in Congress, had not addressed the issue formally, "but my expert opinion as a lawyer is that a constitutional amendment is necessary (for Fujimori to seek reelection)."

The president of Congress also ruled out the possibility of another "self-inflicted coup" like the one that President Fujimori staged in April 1992.

"There will never be another self-inflicted coup d'etat because the situation in Peru is not serious, as it was in 1992," Chavez emphasized. This was a change from some months ago, when she did hint several times that a coup could take place if necessary.

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